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TODAY: SPORTS

Militants Kill 28 in Algeria

Compiled by Our Staff From Dispatches

ALGIERS — A band of militants cut off the roads and phone lines to a small village southwest of Algiers and killed 28 people there with knives and axes on Sunday, hours before a car bomb exploded near Algiers, the government said.

The militants, who said they belonged to the Armed Islamic Group, one of Algeria's most violent rebel factions, entered the village of Ain Defla, 120 kilometers (75 miles) from the capital, soon after midnight, security forces said.

The raid was the fifth mass killing this month; the authorities say 82 people have died in the December attacks, many with their throats slit.

The car bomb in an Algiers suburb, El Harrac, wounded at least 20 people, officials said. *(AP, Reuters)*



Laurent Rebours/The Associated Press

HOLIDAY ON ICE — Jacquie, Joel and baby Noah Woodruff of Virginia skating Sunday in Paris, where temperatures hit a 34-year low. Page 2.

North Korea Voices 'Deep Regret' Over Submarine Episode

By Nicholas D. Kristof
New York Times Service

SEOUL — In an unprecedented sign of its yearning to improve relations with the rest of the world, North Korea expressed "deep regret" Sunday for sending a submarine carrying armed commandos into South Korean waters and promised not to do it again.

By North Korea's own truculent standards, the statement was an astonishing sign of contrition. It opens the way to resume a process of dialogue that American officials hope will eventually bring a lasting peace to the Korean Peninsula.

The submarine episode, in which a North Korean spy submarine landed on a South Korean beach in September and 26 armed infiltrators sneaked ashore, had raised tensions on the Korean Peninsula to their highest level in years. It had also thrown into question the landmark 1994 agreement under which North Korea gave up its nuclear weapons program, as well as American plans to engage the North and bring it out of its isolation.

"This is a major breakthrough to put inter-Korean relations back on track," a South Korean government official said Sunday.

The South Korean government accepted the North Korean statement, even though it fell short of the conditions that had been set by President Kim Young Sam. Mr. Kim had demanded an apology to South Korea as well as a promise not to do such a thing again.

North Korea did not quite bring itself to apologize to South Korea, instead expressing the slightly vaguer "regret" to the outside world as a whole. But the statement was nonetheless by far the most contrite that the North Korean government has ever issued, and the first time it accepted responsibility for committing acts of violence abroad.

By comparison, immediately after the submarine beached, North Korea declared itself the victim because South Korean troops had killed some of the 26 armed commandos who came ashore. The North had declared: "As victims, we have the right to retaliate on the offenders. Our retaliation may be hun-

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Algerian Oil and Islam Make Volatile Mixture

By Roger Cohen
New York Times Service

HASSI MESSAOUD, Algeria — Deep in this desperate country there are Americans, dozens of them, ensconced behind high walls topped with barbed wire, living in anonymous camps, pouring billions of dollars into an Algerian state racked by civil war.

The Americans never set foot in northern Algeria, where political scores in a fierce undeclared war are settled daily by the slitting of throats. They never move without security guards.

They never fly on what they call "couscous airlines" — Air Algeria. Rather, they jet into this desert town on chartered flights from London or Zurich and try to adapt to what one of them called "an environment that drives you so crazy you need soft white rooms and jackets that buckle at the back."

What lures them is a lot of oil and even more natural gas.

"Is it worth it?" asked one of the oilmen, who spoke on condition that neither his name nor corporation be identified. "Well, we're sitting right here on about 3,000 square kilometers of oil. At near $25 dollars a barrel, that's interesting. If the government can stay stable enough for us to get our money out, there is a lot of profit to be made. But if the Islamic extremists take over, I guess we're out of here."

Such calculations by the likes of Arco, which recently decided to invest more than $1.5 billion in Algeria, and the Anadarko Petroleum Corp., which is investing $100 million this year alone, are also being made by the Clinton administration and other Western governments as they confront a war that shows no sign of ending.

Presented with a choice between a secretive military-backed government and the violent currents of political Islam — a choice that in Algeria has also been one between authoritarianism and democracy — they have tended to come down on the side of the army and repression in a war that has already taken tens of thousands of lives.

The decision has kept the oil and gas pumping, but has not brought an end to the conflict any closer.

Algeria poses, in a form perhaps more acute than anywhere else, the increasingly widespread quandary of how to sift moderate political Islam from Islamic militancy and terrorism. The Clinton administration has been at pains to draw a distinction between the two, repeatedly stating that it has no quarrel with Islam per se.

But in Algeria, where Islam first triumphed at the ballot box and was then forced underground, such principles have proved hard to apply. A result is deadlock and daily terror.

Up in what the American oilmen ap-

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Free Trade Helps Lift World Poor

'Globalization' Sends Billions of Dollars to Third World

By Keith B. Richburg
Washington Post Service

ROSARIO, Philippines — Not so long ago, Manila Bay was the life sustenance for Arnulfo Plocios and the other small fishermen in this struggling coastal village of stilted nipa huts and dirt-floored shanties on the edge of the capital. And then the fishing industry started dying.

Mr. Plocios now lives a Spartan existence in a one-room, tin-roofed squatter's shack with no electricity. The daily meal is rice and a little dried fish; the children's only toys are the shells that wash up on the shore. It is a life of little joy and little hope, the life of the poorest of the poor in the Philippines.

Like Mr. Plocios, Reynaldo Bernal is a small-scale fisherman, in nearby Naic, and he, too, says he can barely make enough from the sea to survive. But something important has changed for Mr. Bernal: His family lives comfortably because two of his four daughters have jobs in the new, foreign-owned factories that have sprung up nearby. The sisters recently pooled their savings and surprised their parents with a new $1,500 television; they shop for clothes in one of the province's new retail malls. Dinner at

First of a series

the Bernal house typically means meat and vegetables along with rice.

The gulf between Arnulfo Plocios and Reynaldo Bernal — between a dark one-room shack and a two-story house with a television and an electric fan — is one measure of how the huge increase in world trade and private foreign investment in the post-Cold War world is affecting the lives of the world's poorest people.

More than any government program, more than any aid agency or any international bank, the rapid spread of free trade, free markets and investment across borders by private companies and individual investors — a phenomenon economists are calling "globalization" — is proving to be an effective weapon against poverty in many nations around the world and, in some places, arguably the most effective anti-poverty measure ever known.

Driven by the search for new customers and cheap and plentiful labor, companies large and small, from the United States, South Korea and other economic powerhouses, have been scouring long-neglected parts of the world that were ruled for most of this century by colonial powers or dictatorships that greatly restricted trade and foreign investment.

Increasingly since 1990, they have been welcomed by democratic governments, or at least by pragmatic authoritarians who have opened up domestic markets, sold off state-owned industries, removed tariffs and trade

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'Hard Part' Ahead After Guatemala's 36-Year War

By Larry Rohter
New York Times Service

GUATEMALA CITY — This country's civil war has gone on for so long that most Guatemalans have no memory of a time when their nation was at peace. So when Remigio Gutierrez contemplates the final accord the government and guerrillas were poised to sign here Sunday to end 36 years of armed conflict, he cannot help being skeptical.

"The two sides fought their war against us, the people, and negotiated a cease-fire without us taking part," said Mr. Gutierrez, 30, a clothing salesman who roams the rugged highlands where some of the worst brutalities of the war occurred. "It's their peace, not ours, and while I believe some things will improve, other things are going to become more complicated."

After inflicting incalculable destruction, the guns may have finally fallen silent in this country of 10.5 million people. But as Mr. Gutierrez and other people recognize, the toll of the last, longest and bloodiest of Central America's guerrilla insurgencies far exceeds the most obvious casualties: at least 100,000 killed, 40,000 estimated to have "disappeared," about 250,000 children orphaned and more than 1 million people driven from their homes.

The hostilities, which began when Dwight Eisenhower was president of the United States, have also left Guatemala materially and intellectually impoverished, deeply embittered and with its institutions and infrastructure devastated.

For President Alvaro Arzu Irigoyen and his foreign allies, overcoming that legacy is likely to prove an even more daunting challenge than the nearly six years of talks that preceded the Accord for a Firm and Lasting Peace.

"Manna is not going to fall from heaven the day after the peace accord," Mr. Arzu cautioned his countrymen last month. In an interview Friday, a day after leftist rebels holding more than 100 hostages in Peru released the Guatemalan ambassador there in recognition of the negotiated end of the conflict here, he elaborated on that concern.

"We're done with the first stage, and now comes the hard part," he said. "It's going to be a real challenge."

The task is made all the more difficult by the very scope of the preliminary agreements that Mr. Arzu's government and the leaders of Guatemalan National Revolutionary Unity have already signed under United Nations auspices. Altogether, there are 11 such accords,

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Compromise in the Air In Peru's Hostage Crisis

By Douglas Farah
Washington Post Service

LIMA — Marxist guerrillas holding 83 military, government and diplomatic officials hostage here appear to be softening the key demand that their jailed comrades be freed immediately, seeking instead a solution that would allow the rebel movement to become a legal political party.

Analysts and diplomats monitoring the situation here said the guerrillas of the Tupac Amaru Revolutionary Movement appear to be looking for a solution to the crisis, which on Sunday was in its 12th day, that would allow the government of President Alberto Fujimori to avoid making embarrassing concessions, while allowing the rebels to gain national and international recognition and legitimacy.

The first hint came in a Tupac Amaru communiqué released Saturday, when the guerrillas freed 20 hostages from the residence of the Japanese ambassador, the building they assaulted on Dec. 17 during a reception in honor of Emperor Akihito's birthday. The statement, read after the first face-to-face contact between Mr. Fujimori's official envoy and the rebel leadership, demanded only that prison conditions for the estimated 400 jailed members of the Tupac Amaru be improved, not their immediate release.

And, in an interview with the Reuters news agency Sunday, the Tupac Amaru representative, Isaac Velazco, made the same point publicly for the first time. Mr. Velasco said the rebels still insisted on the "liberation of the political prisoners, but we consider that an intermediate solution can be reached" that will satisfy both sides.

From the beginning of the crisis, the freeing of the prisoners was one of the main sticking points for Mr. Fujimori, who has won acclaim for neutralizing the Tupac Amaru as a military force, as well as inflicting great damage on the larger and more radical Shining Path guerrilla forces. The government has held fast to its position that the prisoners would not be released under any circumstances.

But entering into peace talks while improving the prison conditions, widely criticized by human rights groups as inhumane, could offer a way out for both sides. Peace processes in other Latin American nations, including the one that was concluded in Guatemala on Sunday, have included broad amnesty for all sides in the civil conflict.

"In the beginning, the MRTA wanted a simple exchange, the hostages for the prisoners," Gustavo Gorriti, an analyst and expert on the Peruvian left, said of the Tupac Amaru rebels. "It was tra-

See PERU, Page 6



Luis Chang/Reuters

Enrique Pendavis, a Peruvian businessman, reading a statement by the rebels after he was released.

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

AGENDA

Steelers Win in NFL Playoffs

When the Pittsburgh Steelers took the ball out of Mike Tomczak's hands and gave it to Jerome Bettis and Kordell Stewart, the Indianapolis Colts ran out of miracles Sunday.

Bettis saved a Steelers offense that was threatening yet another big-game meltdown, running for two second-half touchdowns and 102 yards as Pittsburgh survived another erratic day by Tomczak to beat the Colts, 42-14, in the National Football League's AFC playoffs. On Saturday, the Dallas Cowboys scored the game's first 30 points in defeating the Minnesota Vikings, 40-15, in a wild-card playoff match before 64,682 fans at Texas Stadium.

The Jacksonville Jaguars played with the abandon and indomitable spirit that Buffalo's center, Kent Hull, said was once his team's hallmark, and they stunned the Bills, 30-27, on Saturday. (Page 18)

A New Roadblock for Gingrich

The senior Democrat on the House ethics committee joined other members of his party Sunday in throwing a roadblock in the way of Republican hopes of resolving the ethics case of Newt Gingrich, the speaker, soon.

Representative Jim McDermott, Democrat of Washington, said it would be "almost impossible" for the panel to recommend appropriate action before the House convenes on Jan. 7 to elect its speaker. (Page 3)

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The West Confronts Manifest Density

By Timothy Egan
New York Times Service

CAREFREE, Arizona — The plane dips below the brown cloud and lands in the urban heart of the American Southwest: hope, commerce and chaos stretched to the horizon in the Sonoran Desert. Consuming land at the rate of an acre an hour, metropolitan Phoenix, Arizona — and its new frontiers like Carefree — is now bigger than Delaware.

You drive to Scottsdale, a gangly suburb. It is brimming with prosperity, resorts and lawyers in tank tops doing business by cellular phone in the shade of saguaro cacti.

In 1950, barely 2,000 people lived on the single square mile that was Scottsdale; today it is three times the physical size of San Francisco, with 165,000 people.

After coursing through traffic for nearly an hour, you arrive at the edge of the megalopolis. Here the desert buckles up toward national forest land, in the sweet-smelling exurb of Carefree.

Developers are scraping away mesquite and paloverde, replacing them with signs offering "one-acre lots in a future gated community."

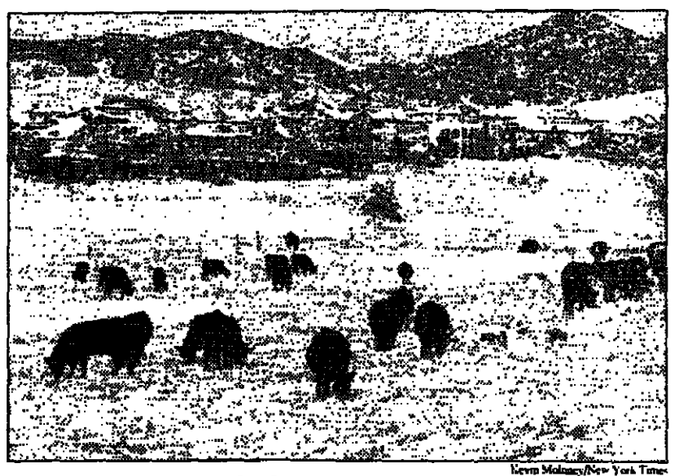
But after years of being restrained only by how fast it could pour concrete, Phoenix may finally be reaching its limit.

The air is so bad at times that people who came to the desert seeking good health are warned to stay indoors. While some schools have swimming pools, others are short of textbooks, and a federal court has ordered the system to get more state financing. And something called "the inner city," built about 30 years ago, is an urban orphan, denounced for its crime, racial conflict and abandonment.

It was not supposed to be this way, this early. Phoenix, like other Western cities swollen with California exiles, has matured under a mantra that it would not become another Los Angeles — an all-purpose put-down. Community leaders vowed to build a new kind of American city here in the desert and in places like Seattle; Salt Lake City, Utah, and Denver, cities close to nature, livable and sustainable.

But as the urban West goes through the third major growth boom in four

See WEST, Page 6



Kevin Moloney/New York Times

Cattle grazing near a suburban housing development outside Denver. As in other Western cities, sprawl is spreading to once-isolated areas.

'Profoundly Conservative' / **Funk Takes Hold**

In France, Future Shock

By Roger Cohen
New York Times Service

PARIS — There is a new idea afoot here, being pushed hard by French leaders: France — land of revolutions, the avant-garde, the upheavals of 1968 — has become a "profoundly conservative" country deeply resistant to change.

The theory, espoused by President Jacques Chirac, is supposed to explain why France is in a funk — unreceptive to reform, unconvinced by its leaders, unclear about its place in a changing world. In this visceral conservatism, if French leaders are to be believed, lies the reason that France, more than any other European country, has found itself disoriented before the prospect of curtailing the welfare state, creating a flexible labor market, adopting the new technologies of cyberspace and embracing a single European currency, all to compete in a global economy.

On the face of it, the idea is an odd one. There were the events of 1789. More recently, in the postwar years, France has transformed itself from an overwhelmingly rural economy to a highly modern industrial one, opened its borders, freed its financial markets, created the Airbus and the world's fastest train and become the fourth largest exporter behind the United States, Germany and Japan. It has, on balance, been anything but stuck in its ways.

Yet, of late, it is true that France has shown signs of digging in its heels. A single European currency, increasingly stringent worldwide competition, a changed strategic equation in Europe — all these issues pose tough choices that touch on national identity and ultimately cannot be fudged.

The challenges the country faces are perhaps no more daunting than those faced by Germany or Italy or even Britain. But Chancellor Helmut Kohl has given Germany reunification. Italians have always been inclined to see Europe in a positive light, dragging them northward toward modernity. In Britain, the Thatcher years produced changes that have already made the country more competitive and flexible.

Only in France, the most centralized of European states and the most ambitious in its lingering dreams of somehow incarnating world power, does the whole range of challenges seem to provoke a kind of collective dread.

The response has been striking. Suggest reforming the state-owned railroad company, which lost $3.3 billion last year and has debts of about $40 billion, and the trains stop. Hint that social security, health insurance and other mandatory wage contributions are so high that they dissuade companies from hiring and contribute to France's crippling 12.6 percent unemployment, and there is an outcry.

Try, in short, to tamper with what the French call their *acquis* — the established cocoon of a protective state — and the reform is stillborn.

It is certainly this mood that French leaders have sought to evoke in their charge that, as Prime Minister Alain Juppe put it, France has become a place of "deep-seated conservatism." President Chirac went even further: France, he said, is "sclerotic."

The idea is intriguing not least because "conservatism" is here being used to identify people who, until recently, would have been identified as "progressives" or "of the left." People, that is, who believed in a central role for the state in the economy, in the extension of social benefits, in enveloping welfare and a strong public school system.

At the heart of the unease now gripping France is the question of what new model, what new idea, to put in the old idea's place. Moreover, in France the end of the Cold War has proved most troubling, not principally because of the strategic implications but because it meant the end of a dialectic between two ideologies.

The French mind has great difficulty with what is now called *la pensee unique* — that is, the single American-rooted ideology holding that a largely untrammeled market economy is good for mankind. The French want somehow to represent an alternative model, one in which France's charity and its cheeses are preserved. This in turn produces a form of conservatism.

Andre Glucksmann, a philosopher, said: "France is indeed in a crisis, with respect to its own history and with respect to its place in the world. But it is not inherently conservative. It wants to know what image of itself to have." Mr. Chirac and Mr. Juppe, he added, "are simply not providing answers to these questions."

Mr. Chirac has recently suggested that a German model might work in France. He talks a lot about the need for "dialogue" and "responsibility" — clear references to the German way of managing the economy through negotiation between employers and labor unions.

But Germany still bothers France. Since the fall of the Berlin Wall it has absorbed 16 million new people and developed a successful economic drive to its east that has turned much of Central Europe into a German "near abroad." France, in the same period, has stagnated.

Many French foreign policy decisions — including initial resistance to German reunification and to Boris Yeltsin, and support for Serbia's Slobodan Milosevic and for Rwanda's Hutu — have given an impression of disarray or cynicism that is hard to square with the ambition, expressed by Mr. Chirac, of being "an example to the world." Failing to be such a presence, France has clashed repeatedly with the United States.

Inconsistencies also appear rampant in domestic affairs. In a single interview this month, Mr. Chirac suggested repeatedly that France's state should be slimmed and money better spent.

But then he said the state railroad "will never be touched." French public service "will not be called into question" and the acquis will not be diluted.

As for European integration, the president and prime minister have recently made impassioned pleas for the introduction in 1999 of the common currency known as the euro. At the same time, however, the government has maintained the border controls it had vowed to abolish and has not made clear what sort of United States of Europe, if any, France has in mind.

Finally, Mr. Chirac and Mr. Juppe have held out as a goal the old French republican model of an inclusive society, marked by its humanism and its commitment to the equality of all before the law.

But this appeal — rooted in the notion of the universality of French civilization — has come as France has turned inward, essentially scrapping the old law that established that anyone born in France was French.

"The message from the government is confused," said Dominique Moisi, the deputy director of the French Institute of International Relations, an independent research organization. "The French are not being told very clearly what Europe to expect, what type of economy or what society. The result is that people try to defend a status quo that is indefensible."

The new conservatism in France is real. It is the expression of a society unmoored, with respect to the world and its past. But this conservatism also owes much to Mr. Chirac and Mr. Juppe themselves.

The president and the prime minister inveigh against conservatism and talk of reform. But their old-school instincts are deeply "conservative" — and it shows.



Regis Duvignau/Reuters

Prime Minister Alain Juppe, left, says France is deeply conservative. President Jacques Chirac, right, goes further and calls it "sclerotic."

Arctic Winds Blow a Lethal Deep Freeze Onto Europe

Compiled by Our Staff From Dispatches

Europe continued to shiver Sunday as icy winds from Siberia kept temperatures below freezing in a cold spell that has claimed at least 74 lives.

With snow and ice bringing chaos to many places on the Continent, weather forecasters warned that no immediate letup was on the horizon.

France experienced its coldest night of 1996 between Saturday and Sunday, with temperatures diving to their lowest in more than 30 years in some places, especially the northeast, where minus 16 degrees centigrade (3 Fahrenheit) was registered.

Paris registered a minimum of minus 10 degrees (14 Fahrenheit), its lowest since December 1962, when minus 14 was recorded. It reached only minus 5 centigrade during the day despite sunshine. Freak snowfalls, meanwhile, caused road chaos and cut power transmission lines on the Mediterranean island of Corsica.

Much of central Italy was brought to a standstill on Sunday by heavy snowstorms, with many roads blocked and villages cut off.

Local authorities said the central region of Umbria was paralyzed by severe weather, while the main highway connecting Rome to the north was blocked in Tuscany by drifting snow.

After an unusually warm Christmas, Arctic air swept into Italy, driving the temperature down to minus 30 degrees centigrade (minus 22 Fahrenheit) in the northern mountains. The east of the country suffered most from the deep chill. The Venice lagoon froze and snow fell on the Adriatic resorts of Rimini and Ancona for the first time in years.

In Rome, snow turned to freezing rain, causing airport delays. The last noticeable snowfall in Rome was Feb. 10, 1986.

Elsewhere in Europe, German river traffic was paralyzed. Surface ice layers were as thick as 50 centimeters (20 inches) on the Main River.

Where the Danube passes through the southeast of Germany, skippers were hurriedly searching for berths Sunday night in expectation of ice.

The federal agency for shipping in Hamburg said conditions were expected to worsen in the next few days. Ice is already 5 to 10 centimeters thick on much of the North Sea and Baltic coasts. The Rhine was still open because its current was strong enough to prevent surface ice from forming.

In Poland, the frozen bodies of three men were found over the weekend, bringing to 13 the number of deaths in the country in a weeklong cold spell that has seen temperatures touch minus 37 degrees centigrade (minus 34 Fahrenheit), public television said Sunday.

In the former Soviet republic of Moldova, the government declared a state of emergency after the Russian gas supply giant Gazprom decided to cut deliveries by half in order to force Moldova to pay its arrears. Temperatures there have reached minus 27 centigrade (minus 17 Fahrenheit), the lowest since 1946.

(AFP, Reuters)

Clinton Plan to Combat Laws Legalizing Marijuana Targets Doctors

By Peter Baker
Washington Post Service

WASHINGTON — President Bill Clinton has approved a plan to combat new state laws in California and Arizona legalizing the medical use of marijuana, according to administration officials.

Under the plan, doctors would be threatened with revocation of their federal registration and possible criminal prosecution for prescribing the drug, the officials said.

The plan envisions enlisting an array of government departments to fight the legalization, with ideas for action ranging from suspending transportation workers who test positive for drug use to stepping up anti-trafficking efforts by agencies as diverse as the Internal Revenue Service and the Postal Service.

But the most significant element in the campaign, they said, will focus on doctors who dispense marijuana in accordance with the ballot measures passed by voters in both states last month.

Letters will be sent shortly to every doctor in California and Arizona warning that marijuana remains an illegal narcotic under federal law and threatening to revoke their drug-dispensing powers should they recommend or prescribe it.

Criminal prosecution will be an option for law enforcement authorities, although officials cautioned that it is not the major thrust of the plan. "We will do that" if necessary, said an official who spoke on condition of anonymity. "We have no problem prosecuting."

The decision marks the second time this month that Mr. Clinton has taken on a proposition enacted over his opposition during last month's election, once again placing him in the awkward position of defying the will of the voters.

The president has already signed off on a Justice Department plan to try to overturn a California initiative banning affirmative action programs. But for Mr. Clinton, who was castigated during the presidential campaign as doing little to stem rising substance abuse among young Americans, this marijuana plan offers an opportunity to assert himself as an aggressive drug-fighter.

Legalization of drugs under any circumstances "runs counter to everything that this president supports and believes in," said the official.

Retired General Barry McCaffrey, chief of the White House drug policy office, planned to unveil the administration's approach Sunday on a television interview program and at a news conference Monday morning.

The two propositions generally authorize the use of marijuana to relieve pain in certain medical situations.

In California, possession of marijuana is now legal on the recommendation of a doctor for treatment of cancer, AIDS, anorexia, chronic pain, arthritis, migraines and other illnesses.

In Arizona, other drugs such as heroin and LSD may also be legally used for pain relief with the concurrence of doctors.

Federal lawyers have concluded that unlike the affirmative action case, the marijuana propositions give them little constitutional grounds for attack. Instead, officials determined the most effective strategy would be to target doctors, who must be registered by the Drug Enforcement Administration to prescribe medicine classified as Schedule II through Schedule IV drugs. Under federal law, marijuana is a Schedule I controlled substance, which can be prescribed only with a waiver.

Bill Zimmerman, who managed the successful campaign for the California marijuana law, Proposition 215, said supporters will file a federal lawsuit within a few weeks to prevent the drug agency from punishing doctors who simply recommend marijuana to their patients, on the ground that would be a violation of the constitutional right of free speech.

DUTY FREE ADVISORY

Via Abu Dhabi or Al Ain

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Dozens In Tunnel Are Freed

Reuters

MOSCOW — Several dozen people and their vehicles were freed Sunday after being trapped for days by avalanches in a tunnel in southern Russia, but many more remained stuck, the Interfax news agency reported.

It said rescue workers had cleared 19 kilometers (11 miles) of snow blocking a highway that links Russia's North Ossetia region with the Georgian province of South Ossetia. But much of the highway, including the four-kilometer Roksky tunnel through the Caucasus mountains, remained blocked by snow, Interfax said.

Itar-Tass said Sunday that 300 people might still be trapped inside the tunnel. Agencies reported Saturday that two people had died.

Rescue workers, entering the tunnel on foot, have managed to deliver food, medicine and warm clothing to the motorists, some of whom have refused to leave their cars for fear they will stolen.

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TRAVEL UPDATE

Strike Spreads Disruption in Israel

BEN-GURION AIRPORT, Israel (AP) — Tens of thousands of Israeli workers walked off their jobs Sunday, shutting banks, government offices and radio and television stations and causing chaos at the airport.

The strike ended after five hours when the authorities agreed to drop a contempt-of-court order against a leader of the Histadrut union. Another widespread strike was scheduled for Monday over proposed budget cuts and privatization plans.

At Ben-Gurion International Airport, planes landed and passengers disembarked but could not get their luggage. Boards listing departing flights flashed "Delayed."

Egypt Reports a Boom in Tourism

CAIRO (AFP) — A record 3.8 million tourists visited Egypt in 1996, Tourism Minister Mamduh Beltagui said in a statement carried Sunday by the Middle East News Agency.

Mr. Beltagui's ministry has played an important role in bolstering tourism since a slump caused by a wave of anti-government violence by Muslim militants.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Canada, Costa Rica, El Salvador, India, Japan, Philippines, San Marino, South Korea.

TUESDAY: Argentina, Austria, Azerbaijan, Bangladesh, Belgium, Brazil, Brunei, Bulgaria, Canada, Chile, Costa Rica, Denmark, Ecuador, El Salvador, England, Finland, Germany, Guatemala, Hong Kong, Iceland, India, Indonesia, Italy, Japan, Jordan, Kuwait, Latvia, Liechtenstein, Madagascar, Mexico, Netherlands, Nicaragua, Norway, Oman, Pakistan, Qatar, San Marino, South Korea, Sri Lanka, Sweden, Switzerland, Thailand, Vatican City.

WEDNESDAY: *All countries except:* Afghanistan, Bangladesh, Bhutan, Burma, Egypt, Ethiopia, Iran, Libya, Nepal, Oman, Pakistan, Qatar, Saudi Arabia, Sri Lanka, Yemen.

THURSDAY: Armenia, Botswana, Canada, Haiti, Japan, Kazakstan, Liechtenstein, Mauritius, New Zealand, Romania, Russia, Scotland, Serbia, Slovenia, South Korea, Switzerland, Taiwan.

FRIDAY: Burkina Faso, Japan, New Zealand, Taiwan.

SATURDAY: Angola, Burma, Zaire.

Sources: J.P. Morgan, Reuters, Bloomberg

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream — Unseasonably Cold — Unseasonably Hot — Heavy Rain — Heavy Snow

North America
While unseasonably mild weather will continue in much of the eastern two-thirds of the United States through mid-week, another strong storm in the Pacific will move onshore. As a result, high winds and heavy rain will return to coastal Oregon and California.

Europe
The wintry cold wave will continue to hold its icy grip across a large part of Europe into the new year. Many cities from Warsaw to Berlin to Amsterdam, Paris and London will be in the deep freeze. Moscow will also be affected by this cold wave. Unsettled in Rome through Thursday.

Asia
Unseasonably cold into Beijing through Thursday, while colder air invades Seoul starting Wednesday; rain and/or snow is possible Wednesday in Seoul. Rather mild in Tokyo through Wednesday, then rain is possible Thursday. Hong Kong and Singapore will be seasonably warm.

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	14/57	11/52 c	14/57	5/41 r
Amsterdam	-1/31	-9/16 s	-7/20	-11/13 pc
Ankara	3/37	1/34 sh	8/46	0/32 sh
Athens	16/61	11/52 s	16/64	11/52 pc
Barcelona	5/41	2/35 sh	8/43	-1/31 pc
Belgrade	1/34	-7/20 sn	1/34	1/34 r
Berlin	-8/18	-13/9 c	-11/13	-11/13 sn
Brussels	-2/29	-8/18 c	-7/20	-11/13 c
Budapest	-4/25	-9/16 sn	-4/25	-9/16 pc
Copenhagen	-3/27	-7/20 sn	-4/25	-8/18 c
Costa Del Sol	14/57	10/50 sh	15/59	8/46 r
Dublin	4/39	-2/29 pc	2/35	-3/27 c
Edinburgh	2/35	-4/25 pc	0/32	-4/25 c
Florence	1/34	-5/24 pc	3/37	2/35 sn
Frankfurt	-8/18	-14/7 pc	-11/13	-12/11 sf
Geneva	-4/25	-8/18 sn	-4/25	-9/16 sn
Helsinki	-9/16	-13/9 sf	-8/18	-11/13 c
Istanbul	8/46	5/41 sh	13/55	8/46 r
Las Palmas	19/66	16/61 pc	19/66	14/57 r
Lisbon	10/50	8/43 c	9/48	3/37 c
London	2/35	-4/25 c	-2/29	-8/18 c
Madrid	5/43	-3/27 r	5/41	-4/25 c
Mallorca	4/39	3/37 sh	5/41	1/34 pc
Milan	-3/27	-9/16 pc	-3/27	-8/22 pc
Moscow	-11/13	-14/7 c	-10/15	-14/7 sf
Munich	-5/22	-13/9 pc	-4/25	-9/16 c
Nice	8/43	3/37 pc	5/41	2/35 r
Oslo	-8/18	-13/9 pc	-8/18	-11/13 c
Paris	-3/27	-11/13 c	-9/16	-14/7 c
Prague	-8/18	-15/5 pc	-9/16	-11/13 c
Reykjavik	4/39	1/34 c	3/37	2/35 c
Rome	7/44	4/39 c	12/53	6/43 sh
St. Petersburg	-9/16	-12/11 sn	-8/18	-12/11 c
Stockholm	-5/22	-10/15 sf	-6/22	-9/16 c
Strasbourg	-5/24	-9/16 sn	-5/24	-7/20 sn
Tallinn	-9/16	-12/11 sf	-7/20	-11/13 c
Venice	-2/29	-9/16 pc	1/34	-3/27 c
Vienna	-7/20	-11/13 c	-4/25	-8/22 c
Warsaw	-10/15	-13/9 c	-11/13	-12/11 sf
Zurich	-9/22	-9/16 sn	-3/27	-8/22 sn

Middle East

Abu Dhabi	25/77	12/53 s	24/75	12/53 s
Beirut	17/62	12/53 pc	21/70	13/55 pc
Cairo	21/70	11/52 s	26/77	14/57 s
Damascus	19/66	5/41 pc	18/64	8/46 s
Jerusalem	15/59	6/43 s	18/64	8/46 s
Luxor	24/75	9/48 s	27/80	10/50 s
Riyadh	24/76	11/52 s	24/75	9/48 s

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	32/89	22/71 t	33/91	22/71 pc
Bangkok	30/86	19/66 pc	30/86	19/66 s
Beijing	6/43	-2/29 pc	-4/39	-2/29 c
Bombay	29/84	14/57 s	29/84	14/57 s
Calcutta	25/77	11/52 s	24/75	12/53 s
Chiang Mai	31/88	17/62 pc	31/88	17/62 s
Colombo	29/82	22/71 pc	29/82	22/71 c
Hanoi	24/75	18/64 s	23/73	18/64 c
Ho Chi Minh	31/88	23/73 s	31/88	23/66 pc
Hong Kong	22/71	18/61 s	22/71	17/62 s
Islamabad	23/73	6/43 s	23/73	7/44 s
Jakarta	30/86	23/73 c	29/84	23/73 sh
Karachi	25/34	12/53 s	23/91	12/53 s
K. Lumpur	31/88	21/70 c	31/88	22/71 pc
K. Kinabalu	27/80	21/70 pc	27/80	21/70 pc
Manila	27/80	18/64 pc	28/82	19/66 s
New Delhi	23/73	7/44 s	27/80	7/44 s
Phnom Penh	30/86	20/68 s	28/82	22/71 pc
Phuket	30/88	19/66 pc	30/88	19/66 s
Rangoon	30/86	19/66 pc	30/84	18/64 s
Seoul	8/46	-2/29 s	7/44	-1/31 c
Shanghai	15/59	7/44 s	14/57	8/46 sn
Singapore	30/86	23/73 pc	28/82	22/71 pc
Taipei	22/71	17/62 pc	22/71	17/62 sh
Tokyo	12/53	2/35 s	11/52	4/39 pc
Vientiane	23/73	17/62 s	23/73	18/64 s

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	-11/13	-19/-2 s	-13/9	-19/-2 pc
Atlanta	18/64	12/53 sh	21/70	10/50 c
Boston	6/43	-2/29 pc	5/41	-1/31 pc
Chicago	5/43	-1/31 pc	10/50	3/37 pc
Dallas	20/68	8/46 s	26/79	8/46 pc
Denver	16/61	2/35 pc	13/55	1/34 pc
Detroit	6/43	0/32 pc	8/46	2/35 pc
Honolulu	27/80	23/71 pc	29/84	20/68 pc
Houston	20/73	13/55 sh	24/75	14/57 pc
Los Angeles	17/62	13/55 r	19/66	11/52 pc
Miami	28/79	19/66 pc	28/82	19/66 pc
Minneapolis	-2/29	-9/16 c	6/43	-3/27 pc
Montreal	-9/16	-13/9 sf	-3/27	-13/9 pc
Nassau	27/80	18/64 s	28/79	18/64 pc
New York	10/50	3/37 pc	8/46	2/35 pc
Orlando	28/79	18/61 pc	28/79	18/61 pc
Phoenix	23/73	12/53 s	23/73	13/55 pc
San Fran.	17/62	13/55 r	18/61	12/53 sh
Seattle	6/43	3/37 sh	7/44	4/39 sh
Toronto	4/39	1/34 sn	7/44	-1/31 pc
Vancouver	6/43	2/35 sh	7/44	4/39 sh
Washington	11/52	3/37 pc	18/61	3/37 pc

Africa

Algiers	18/61	8/46 t	17/62	8/46 c
Cape Town	23/71	14/61 t	22/71	13/55 pc
Casablanca	13/55	12/52 sh	14/57	8/46 r
Harare	28/82	8/46 s	28/82	8/46 s
Lagos	32/89	23/73 pc	31/88	22/71 pc
Nairobi	29/84	11/52 s	29/84	12/53 c
Tunis	19/66	9/48 pc	19/66	11/52 s

Latin America

Buenos Aires	32/89	20/68 s	31/88	18/64 t
Caracas	29/84	22/71 pc	29/84	23/73 pc
Lima	24/75	19/66 c	24/75	19/66 c
Mexico City	21/70	4/39 pc	18/64	5/41 pc
Rio de Janeiro	29/84	22/71 s	27/80	21/70 c
Santiago	29/84	11/52 s	28/79	10/50 s

Oceania

Auckland	24/75	20/68 r	24/75	16/61 pc
Sydney	22/71	18/64 t	21/70	16/61 r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, f-ice, W-weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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THE AMERICAS

Democrats Set a Roadblock in Gingrich Case

By David S. Broder and Helen Dewar
Washington Post Service

WASHINGTON — The senior Democrat on the House ethics committee joined other members of his party Sunday in throwing a major roadblock in the way of Republican hopes of resolving the ethics case of the House speaker, Newt Gingrich, quickly.

Representative Jim McDermott, Democrat of Washington and ranking minority member of the House Committee on Standards of Official Conduct, said it would be "almost impossible" for the panel to recommend appropriate disciplinary action against the Georgia Republican before the House convenes on Jan. 7 to elect its speaker.

Republicans, also appearing on television, continued to insist on a speedy resolution and accused Democrats of trying to drag it out to divert attention from the dispute over President Bill Clinton's pursuit of contributions, including accusations that Democrats accepted illegal foreign funds.

The Democrats want to keep the Gingrich case "in the public eye as long as Clinton is being accused of laundering money," said Representative John Linder, Republican of Georgia and a leading Gingrich defender.

Even though at least eight Republicans said recently that they want more information before deciding how to vote, Republican leaders denied that there was any erosion in support for Mr. Gingrich among Republicans. They predicted he would easily be re-elected and rejected suggestions he might step down.

"We have seen no erosion whatsoever," said Tom DeLay, Republican of Texas and the House Republican whip. Mr. DeLay said that Mr. Gingrich's troubles arose out of "blatant partisan politics" and that Republicans would re-elect him, even if his case was not resolved by Jan. 7. "Democrats have been screaming about 'get it over with, get it over with,' " he said. "Let's get it over with."

But Democrats said Mr. Gingrich would eventually have to resign, and some leading conservatives were calling on him to step down or at least consider doing so, including William Safire, the New York Times columnist, and the chairman of Judicial Watch, Larry Klayman. Paul Weyrich, a mentor of Mr. Gingrich who heads the Free Congress Foundation, has also said conservatives were troubled.

They were joined Sunday by Robert Bork, an unsuccessful Supreme Court nominee, who said Mr. Gingrich's offense was "mild" but that he should "consider stepping aside on the grounds that he can't be effective as speaker."

Democrats noted that Mr. Gingrich, arguing that a speaker should be held to the highest standards, had spearheaded an ethics challenge to Jim Wright, the Democrat from Texas who was former House speaker and who subsequently resigned. Mr. Gingrich should apply the same standards to himself, the Democrats said. Mr. Wright himself said Mr. Gingrich "will have to examine his own conscience" about what to do.

It was the second Sunday in a row that Republicans and Democrats took to TV programs to argue about the seriousness of the rules violations to which Mr. Gingrich pleaded guilty on Dec. 21. They involve the use of tax-exempt funds to finance a college course, which he told donors would be a recruitment tool for Republican candidates and workers, and contradictory statements that he gave the ethics committee about the involvement of his political-action committee in developing the course.



Cathy Mize and the "Snack Time" doll that ate a patch of her hair.

Away From Politics

• **In the third such incident since Christmas,** a girl's hair got caught in the mouth of a battery-powered Cabbage Patch doll that mimics eating. Carly Mize, 3, of Easley, South Carolina, started crying when her doll snagged her hair Thursday, and her mother said a clump of hair was pulled out of her scalp. *(AP)*

• **Murder by strangers** has declined more than twice as much as murder by acquaintances over four years in New York City, dramatically diminishing a particular brand of urban terror and driving down the city's murder rate to its lowest level in 28 years. Victims of strangers accounted for 19 percent of murders this year, down from 37 percent in 1993; four out of five murder victims this year knew their killers. *(NYT)*

• **Florida fog, fast driving** and quick lane changing were blamed for a 54-vehicle, chain-reaction pileup on Tampa Bay's Sunshine Skyway Bridge that killed one person and injured 25 others. The wrecks closed the bridge over the mouth of Tampa Bay for more than seven hours. *(AP)*

POLITICAL NOTES

Budget Talks at the Oval Office

WASHINGTON — In some of the most important budget battles of the last Congress, Bill Archer, chairman of the House Ways and Means Committee, was conspicuous by his absence.

But in an early, unmistakable signal of his desire to assert the full powers of his office in the 105th Congress, Mr. Archer, a Texas Republican, paid a quiet visit to the Oval Office on Friday morning for an unusual one-on-one meeting with President Bill Clinton.

A spokesman for the White House described the encounter, which lasted more than an hour, as a "private, informal meeting to discuss upcoming legislative issues." A top administration official said Mr. Clinton had responded immediately when Mr. Archer suggested the meeting, but stressed that the congressman's visit was a "courtesy call" and "not a budget negotiation." In a telephone interview, Mr. Archer said he and Mr. Clinton exchanged ideas on tax policy, Medicare, the Social Security retirement system and other budget matters. He declined to elaborate, saying that he and the president had agreed to keep details of the session private.

"We both expressed a desire to find areas of common ground," Mr. Archer said, invoking a favorite Clinton phrase.

In the last session, Mr. Archer frequently ceded negotiating responsibility on tax issues to the speaker, Newt Gingrich, and the majority leader, Richard Armey. But House colleagues predict he will be a more independent force this term for several reasons: Mr. Gingrich's clout has been undermined by accusations of financial misconduct; Republicans have a smaller majority in the House; and a greater proportion of their members are moderates. *(WP)*

Clinton Tackles the Air Bag

WASHINGTON — President Bill Clinton has moved to reassure the public about the safety of air bags, promising federal actions to reduce the dangers they can pose to children and smaller adults in certain circumstances.

In his weekly radio address Saturday, Mr. Clinton outlined proposals that would allow manufacturers to install air bags that inflate less powerfully and would permit car dealers to deactivate air bags if requested by an owner. He also said a rule that allows manufacturers to put cutoff switches in cars without backseats will be extended.

"In recent months, some concerns have been raised about air bags," Mr. Clinton said. "But this much is clear: Air bags do save lives."

The announcement essentially reiterated the plans unveiled in late November by the National Highway Traffic Safety Administration in response to growing public concerns over injuries and deaths attributed to air bags. *(WP)*

Quote/Unquote

Senator Alan Simpson, Republican of Wyoming, who is leaving the Senate after three terms to teach at Harvard University before going back to his home in Cody, Wyoming: "You go home, and all the ugliness washes off, and you're comfortable again; you're in the bosom of your people." *(WP)*

Time Is Out of Joint for Will

Great Writers Fade in U.S. College Requirements

New York Times Service

NEW YORK — Georgetown University's abandonment of the requirement that English majors study at least two authors among Chaucer, Shakespeare and Milton — which drew criticism and prompted a teach-in last year — is now the norm, a new study by the National Alumni Forum finds.

Two-thirds of the 67 colleges and universities responding to the forum's survey submitted requirements and course lists for English majors that indicate required courses on the great writers are falling by the wayside.

In their place, courses proliferate on popular culture topics, like "The Gangster Film" (Georgetown), "Melodrama and Soap Opera" (Duke) and "20th-Century American Boxing Fiction and Film" (Dartmouth).

"It's happened because English professors don't want to teach Chaucer and Shakespeare anymore," said Jerry Martin, president of the forum, a nonprofit educational organization of alumni, donors and trustees founded in 1995. "They want to teach pop culture courses because that's what the students want."

The survey contacted the "top 50" schools, listed by U.S. News & World Report, and 20 others to provide regional balance.

Professor William Cook, chairman of the department of English at Dartmouth, said he was "not upset if a tiny minority of students don't study Shakespeare."

"We mustn't deify Shakespeare," he said.

He added that the move away from great authors resulted from "the explosion of available materials" and the desire of the faculty "to provide more choice."

Rhonda Cobham-Sander, chairwoman of the English department at Amherst College, said that because of the proliferation of "must read" literature, she had neglected American literature in her own undergraduate education.

Until recently, English majors at most colleges and universities were required to study the works of at least one of the three writers generally regarded as pre-eminent English authors: Chaucer, Shakespeare or Milton. Beginning with the class of 1999, Georgetown will require no such courses.

Only 23 of the schools responding to the forum's survey required English majors to take a Shakespeare course. A number of schools — among them Amherst and the University of Michigan — have English-major programs in which it is possible to avoid reading any play or sonnet by Shakespeare.

Among Ivy League institutions studied, only Harvard requires a Shakespeare course. At Columbia, the forum reports, an English major "can graduate with no greater knowledge of 'Hamlet' and 'The Tempest' than a chemistry major."

The forum report also states that while well-known liberal arts colleges might be expected to teach the great writers in some depth, "of the 25 national liberal arts colleges studied, only Claremont McKenna, Hamilton, Middlebury, Smith and Wellesley require a course in Shakespeare for their English majors."

Roger Shattuck, a professor at Boston University, said, "This study documents nationally what many of us have observed: that shoddy propaganda is replacing the study of great literature."

Robert Brustein, artistic director of the American Repertory Theater in Cambridge, Massachusetts, said, "Most English departments are now held so completely hostage to fashionable political and theoretical agendas that it is unlikely Shakespeare can qualify as an appropriate author."

AMERICAN TOPICS

Population Explosion on Slopes Puts Colorado Wildlife at Risk

In Colorado, skiing is almost as much a part of life, and the economy, as gambling is in Las Vegas. But in areas like the White River National Forest, which includes such world-class resorts as Aspen and Vail, there are signs that the environment can no longer absorb the rampant growth of the sport.

On Dec. 12, the state's main ski highway, Interstate 7, was briefly closed when 300 elk, desperately seeking water and space, migrated northward — only the second time in 10 years the herd had crossed the four-lane highway, reports The Denver Post.

"We're hitting a flash point," said John Ellenberger, big game manager for the state's wildlife division, complaining about the density of development at Vail. The U.S. Forest Service recently delayed a ski area expansion near Vail to analyze how it might harm wildlife and increase traffic. Opponents say it will also worsen housing problems, increase transience, displace a disproportionate number of Hispanics and weaken the sense of community.

The project, nonetheless, is expected to get the green light in the area, where pro-skiing forces have prevailed for 30 years. But now the opposite side is increasingly heard. "When I-70 was built," said a county commissioner, Joe Sands, "we got 360,000 skiers a year in Summit County. Last year, there were 3.6 million." Not once, he added, had the Forest Service shown concern for the accumulated effect.

The industry, of course, has its backers. It employs tens of thousands of people and brings in $1 billion a year. Last year, 11.2 million "skier visits" were registered statewide.

Short Takes

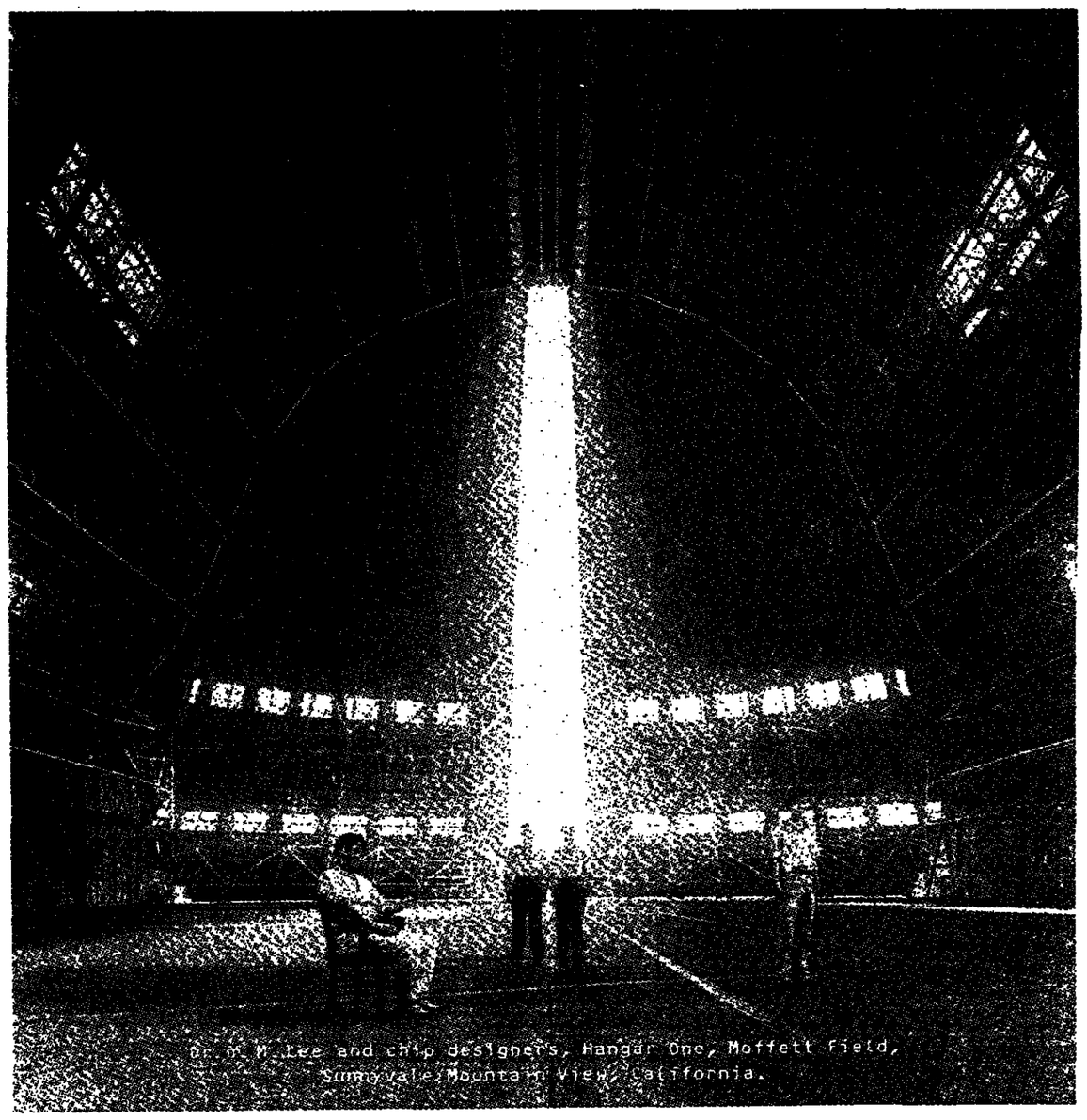
Returning unwanted gifts is a valued American tradition. The National Retail Federation estimates that about 10 percent of all goods are returned, with the busiest time coming right after Christmas. But stores' long-generous terms for returns have generated fairly outrageous abuses: the student who buys a computer to type his term paper, then returns it after finishing his work; the football fan who purchases a big-screen television, watches the Super Bowl, then brings it back. More and more stores are now limiting the returns of big-ticket items, allowing only 7 to 14 days for returns instead of 30 and charging a fee to repackage and restock big items. For a $2,000 computer, that fee can reach $300.

Passengers in New York have been taken aback in recent months when subway police fined them $50 for taking up a second seat with packages or their feet or a cup of coffee. Some have protested with typical New York candor ("It's ridiculous!"). But others are pleased with the effects of what is part of a larger push for cleanliness and politeness. Crime on the subway is now down 60 percent from four years ago. And ridership hit 100 million in October for the first time in 13 years.

At a high school in Seffner, Florida, authorities have decided that the squealing wheel should get greased. Students who turn in classmates for sneaking a smoke or violating other rules get $20 per snitch. "I don't like students who do things that negatively impact other students who want to succeed," said the principal, Doug Erwin.

Don Addis, a columnist with the St. Petersburg Times, has his doubts, however. "I just wonder if $20 is enough to cover medical expenses for those school pigeons who get negatively impacted in the teeth by their classmates later."

In 1995, LG's annual sales grew 40% to over US$64 billion.



Dr. K. W. Lee and chip designers, Hangar One, Moffett Field, Sunnyvale/Mountain View, California.

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ASIA/PACIFIC

BRIEFLY ASIA

India Test-Fires a Short-Range Missile

NEW DELHI — India has successfully test-fired a short-range anti-aircraft missile it has developed, the Press Trust of India reported Sunday.

The news agency said Trishul missiles were fired Saturday from a mobile launcher at the Chandipur test range in the eastern state of Orissa.

The Trishul, named for the trident carried by the Hindu god Shiva, operates on solid fuel. It has a range of up to nine kilometers (five miles) and can carry a warhead of 15 kilograms (33 pounds).

Earlier this month, India bowed to Western pressure and rolled back its nuclear program. It decided to shelve deployment of the Agni, an intermediate-range ballistic missile capable of carrying nuclear warheads, after completing research on the project. The Agni is designed to hit targets up to 2,500 kilometers away. *(Reuters)*

Malaysian Weather Bureau Criticized

KUALA LUMPUR — Officials have lashed out at the government weather service, saying that it did not adequately warn Borneo residents about the approach of a tropical storm that killed 124 people.

Information Minister Mohammed Rahmat said Saturday that the Meteorological Services Department failed to report that a tropical storm was headed for the island, though it did warn of heavy rain and strong winds.

Tropical Storm Greg pounded the region late Wednesday, killing at least 124 people and washing away hundreds of homes. Searchers have been recovering victims' bodies ever since. About 500 rescue workers and villagers searched for 100 missing people Saturday. The Bernama news agency said that flooding forced the evacuation of nearly 7,000 people. *(AP)*

Troops Patrol Javanese Town After Riot

JAKARTA — Indonesian troops remained on guard Sunday in a West Java town where riots last week caused millions of dollars of damage to more than 100 buildings, reports said.

The police were still accompanied by soldiers on the streets of Tasikmalaya after the rampage last Thursday by a Muslim mob against mainly Christian targets. At least four people were killed.

"Soldiers still assist us in keeping order, but they number much less than yesterday," a spokesman for the Tasikmalaya district, Asep Rashid, said by telephone. He could not say whether troops dispatched from various surrounding towns and the provincial capital, Bandung, had been withdrawn.

Security authorities were holding 120 people in connection with the riots, the Jakarta Post said Sunday. *(AFP)*

A Second Outing for Burmese Dissident

RANGOON — The Burmese opposition leader, Daw Aung San Suu Kyi, left her house Sunday for the second time since the military government restricted her movements in early December, opposition members said.

Daw Aung San Suu Kyi, who has been confined to her home since Dec. 3, attended a wedding in the morning, then visited a museum honoring her father, General Aung San, who led Burma's campaign for independence from Britain.

Members of the National League for Democracy Party said Daw Aung San Suu Kyi was accompanied by three senior party members Sunday when she left her compound for the second time since the ruling State Law and Order Restoration Council restricted her movements in early December.

Daw Aung San Suu Kyi, the 1991 Nobel Peace laureate who was released from six years of house arrest in July 1995, visited the tomb of her mother Friday, the eighth anniversary of her death. *(AFP)*



Peter Parks/Agence France-Presse

WAITING GAME — Tung Chee-hwa, left, who will assume leadership of Hong Kong in July, attending a public event there Sunday with Zhang Junsheng, head of Xinhua press agency.

Taleban Militia Breaks Deadlock

Reuters

KABUL — The success of Taleban forces on the front line north of Kabul has broken a six-week deadlock in the battle and restored the militia's morale, analysts said Sunday.

On Friday and Saturday, the fundamentalist Islamic Taleban, which took Kabul in late September, managed to push back the forces of the opposition alliance more than 10 kilometers (six miles). Taleban now threatens the Bagrame air base and the mouth of the Panjshir valley, the main base of operations for the opposition military commander, Ahmed Shah Masoud.

Taleban members said they killed dozens of opposition fighters and captured tanks and artillery. The militia also said it had taken more than 200 prisoners, a huge number in the context of the limited engagements that have characterized much of the fighting in Afghanistan.

Taleban's frontline commander, Maulawi Jalaluddin Haqqani, said the attack was just the first step in plans to destroy the opposition and take Mazar-i Sharif, the stronghold of General Abdul Rashid Dustam.

A pathetic procession of hundreds of men, women and children were fleeing the war zone on foot and in trucks.

Pakistan Islamist Party to Boycott Election

Reuters

ISLAMABAD — Pakistan's main fundamentalist Islamist party, Jamaat-i-Islami, announced Sunday that it would boycott a general election set for Feb. 3, accusing the present caretaker government of failing to stem corruption.

Qazi Hussain Ahmad, the Jamaat leader, speaking to reporters in the Punjab provincial capital of Lahore, said the decision was made by his party's central shura, or council. At the same time, the former prime minister, Benazir Bhutto, pledged to consider an early general election if the Supreme Court accepted her petition to restore her dismissed government.

Prime Minister Malik Meraj Khalid's caretaker government, in office nearly two months, has come under increasing criticism for apparently failing to produce any concrete evidence of the corruption that President Farooq Leghari had cited in dismissing Miss Bhutto's government on Nov. 5.

Beijing Accuses Lama's 'Clique' In Tibetan Blast

Reuters

BEIJING — A bomb has exploded outside a government office in Lhasa, the capital of China's Himalayan region of Tibet, and local authorities called it "an appalling act of terrorism," radio reports said.

The bomb exploded on the doorstep of a city government office early Wednesday, the radio reported Friday, quoting a circular issued by the regional Communist Party committee and the government.

The bombing "was an organized, planned, and targeted counterrevolutionary bombing incident" that it said was staged by the Dalai Lama's "clique," the circular said, according to the radio report, monitored by the BBC and made available Sunday.

It was "a serious counter-revolutionary political incident and an appalling act of terrorism," the radio said.

The report did not say whether the blast caused any casualties or damage.

However, the London-based Tibet Information Network said five people were reported to have been wounded in the blast, some seriously. They included two night watchmen at the government office and shopkeepers living nearby.

Almost all windows within a 100-meter radius of the blast near the city center were shattered and a nearby branch of the Bank of China was also reported to have been badly damaged, it said.

According to the party circular, "The act of terrorism staged by the Dalai clique is opposed by the people of Lhasa, as well as by people all over the world."

China regularly blames followers of Tibet's exiled god-king, the Dalai Lama, for the anti-Chinese unrest that erupts sporadically in the strategic mountainous region, which straddles the Himalayas and runs along China's sensitive border with India.

Speaking at a meeting of party officials in Lhasa on Friday, the vice chairman of the autonomous regional government, Gyamco, said efforts should be made to counter such attacks.

"We should wage a tit-for-tat struggle against the Dalai clique's sabotage," he said.

"We should, once again, stage another campaign across Tibet to thoroughly expose and criticize the Dalai clique, heighten our alertness and strengthen preventive measures so as to keep the situation stable," the radio quoted him as saying.

The Dalai Lama fled his Himalayan homeland in 1959 after a failed uprising against Communist rule and won the Nobel Peace Prize 30 years later for his nonviolent campaign for autonomy for Tibet.

"Whenever they have any problem they allege that a conspiracy has been plotted by Tibetan exiles and the Dalai Lama's group," said Jampal Chosang, secretary in the Dalai Lama's Delhi office.

"The issue of Tibet will continue to be a major problem for China" if Chinese officials do not negotiate with the Tibetan people, Mr. Chosang added.

POOR: *'Globalization' Sends Billions of Dollars to Third World*

Continued from Page 1

barriers, and welcomed foreign investors.

The result has been an unprecedented flow of money from rich to poor nations: About $422 billion worth of new factories, supplies and equipment came into developing countries such as this one between 1988 and 1995, according to the United Nations. In 1995 alone, the flow of private capital into the Third World totaled $170 billion, a 200 percent increase over 1990.

The stream of dollars has lifted hundreds of millions of people out of absolute poverty, according to the World Bank and other international institutions. In the Philippines and other Asian countries, including China, Malaysia, Thailand and Indonesia, the pace of change has been breathtaking — one of the largest, fastest improvements in living standards ever recorded. Between 1987 and 1994, according to the World Bank, the number of poor people in China decreased by more than 50 million.

But the effects of globalization have been neither consistent nor unambiguous. Large parts of the developing world, including most of Africa and Latin America, either have been bypassed by the flows of private money or have yet to see its effects among the poor. Many workers in developed countries, including the United States, have suffered a decline in living standards that they blame on the growth of trade with the Third World and the new factories there. And around the world, the gap between the richest people and the poorest is growing, even in those countries where poverty is decreasing.

According to the World Bank, the percentage of people categorized as the world's poorest — those earning less than the equivalent of $1 a day — declined somewhat from 1987 to 1993 in East Asia, South Asia and North Africa.

But, the World Bank says, poverty increased slightly in Latin America, the Caribbean and sub-Saharan Africa between 1987 and 1993. Overall, the bank says, the percentage of the world's population living on less than $1 a day declined from 30 percent to 29 percent from 1987 to 1993, but, because of the increase in world population, the total number of people in that category continued to rise, to more than 1.3 billion.

Despite the mixed results, free markets and foreign investment have become the new orthodoxy of development, embraced around the developing world even by Communist governments in China, Cuba and Vietnam.

"The whole international aid climate has changed, and now the name of the game is bringing in foreign investment," said Farooq Sobhan, the foreign secretary of Bangladesh. "We are competing for investors just as we are competing for markets. The cost of failure is too frightening to contemplate."

But the globalization trend is not without critics, and a backlash against free trade and investment motivates political movements and trade unions in both rich and poor countries. Nationalists in the developing world argue that governments racing to attract foreign investment end up selling off national resources and crippling indigenous industries. In agricultural countries, opponents say that the influx of foreign factories is destroying valuable farmland and traditional farming economies.

"Even as we are concerned with growth, we stress that having growth is not enough," said a publication of the Philippine Peasant Institute, a left-leaning nongovernmental group. The group criticizes the Philippine government's "rush to embrace globalization" and instead advocates more investment in health care, education and developing self-sufficiency in agriculture.

While Third World dissidents argue that the trend primarily benefits the rich, North American critics, like the 1996 presidential candidates Ross Perot and Patrick Buchanan, say poor countries benefit at the expense of U.S. workers.

The skewed impact of foreign investment is clearly evident in countries like the Philippines that receive large amounts of investment capital. Communities like Rosario that get foreign factories show the obvious benefits — new shopping areas and restaurants, and a boom in sales of consumer items like television sets. And those lucky enough to get jobs at foreign factories can and do become better off economically.

"There's been a big increase in our livelihood, especially for our public school youth," said Jose del Rosario, 69, a retired teacher here in Cavite Province. "Before, they had no incentive to stay in school. Now they can be hired by the factories."

But therein lies a problem: The factories generally hire only workers with specific skills, or those who have attained at least a high school diploma. In Cavite Province, few in a largely poor population of farmers and fishermen have any chance of qualifying for one of the new jobs, although some, like Mr. Bernal, can see their better-educated children make the transition to factory work.

Mr. Bernal, 49, does not like the idea of taking money from his children. "I didn't ask a single centavo of them," he boasts. But he realizes that between his family and the hard fate of other fishermen, like Mr. Plocios, now lie the foreign factories — and his daughters' ability to work for them.

According to a World Bank study on the Philippines, the proportion of people here living below the official poverty line was 59 percent in 1961; 39 percent in 1991; and 36 percent in 1994. But while the gains in the war on poverty have been substantial, the real story, according to the report, is the improved lot of those considered poor. Between 1961 and 1991, the bank found, the gap between the average income of the poor and the official poverty line closed by 40 percent.

"This means that although the proportion of the poor in the total population has declined modestly, the poor are better off than before, and the income disparities among the poor have declined noticeably since 1961," the report said.

The changes in the Philippines mirror the trend for areas such as East Asia and the Indian subcontinent that have received the lion's share of foreign investment; poverty is down overall, and the poor are markedly less poor than they were a few decades ago. The number of people in poverty, living on less than $1 a day, dropped from 573 million to 519 million, the bank reports.

TOMORROW: Private companies and investors become "accidental ambassadors."

REGRET: *North Korea Is Contrite Over Submarine Incursion*

Continued from Page 1

dred-fold or thousand-fold."

The statement issued Sunday could not have been more different, and it dropped the demand for the return of the submarine. It also did not repeat the previous explanation that the submarine had drifted off course — a hard case to make, since the current was going the other way.

The North Korean statement is expected to lead to a series of moves to ease tensions. Officials say that the first may be the return of the bodies of the commandos who were killed by South Korean troops, perhaps in the next few days.

Then North Korea will probably ask for and receive a joint briefing from American and South Korean officials about a plan for four-party talks — involving the two Koreas, the United States and China — to devise a peace agreement and work toward normalization of relations.

That could lead to the four-party talks themselves.

The United States and South Korea are also expected to announce food aid and other assistance to North Korea, where hunger and malnutrition are said to be widespread. In the spring, South Korea will also resume work on a new nuclear reactor for the North, as part of the package deal whereby the North gives up its suspected nuclear weapons program.

The North Korean statement was worked out in negotiations in New York between a senior North Korean Foreign Ministry official, Li Hyong Chol, and a State Department officer, Mark Minton. The essence of the process was twisting North Korea's arm into making as contrite a statement as possible and then twisting South Korea's arm into accepting it.

South Korean officials left no doubt they accepted what they termed the "apology."

"The North Korean statement is one that the people of the Republic of Korea can accept, because it recognizes the incident, apologizes and promises to prevent a recurrence," Foreign Minister Yoo Chong Ha said Sunday night on South Korean television.

One of the key questions will be whether the North Korean statement eases a rift that had been growing between the United States and South Korea on policy toward the North. Some American officials had been increasingly annoyed with Mr. Kim's vacillating and ultimately hard-line policy toward the North, while some South Koreans worried that American leaders were giving them the cold shoulder while moving to engage the North.

The statement, released by the North Korean government's news service, read in its entirety:

"The spokesman of the Ministry of Foreign Affairs of the Democratic People's Republic of Korea (DPRK) is authorized to express deep regret for the submarine incident in the coastal waters of Kangrung, South Korea, in September, 1996, that caused the tragic loss of human life. The DPRK will make efforts to ensure that such an incident will not recur, and will work with others for durable peace and stability on the Korean Peninsula."

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INTERNATIONAL

U.S. Is Still Iran's Enemy No. 1

Temperatures Are Down, but Old Rhetoric Remains

By Elaine Sciolino
New York Times Service

TEHRAN — In the heart of Tehran's business district, the compound that once was the U.S. Embassy sits as a little-noticed monument to the most radical time in Iran's revolution, when anti-American fever ran so high that young militants held 52 Americans hostage for 444 days.

With its football field, swimming pool and tennis courts, the 27-acre (11-hectare) compound still looks like a small college campus, and for years it has served as a school for Iran's Revolutionary Guards.

Outside the compound, where demonstrators once shouted for "Death to America," passers-by pay scant attention to the huge anti-American slogans painted on the embassy's outer wall.

Since the founding of Iran's Islamic Republic in 1979 and President Jimmy Carter's breaking off of diplomatic relations over the seizure of the hostages, the Cold War has ended and the world's strategic balances have shifted. But one constant remains.

Although revolutionary fervor has waned, Iran still officially regards the United States as its greatest enemy. Both countries are prisoners of oratory that has left them unable to make any conciliatory gesture.

Just as the Clinton administration has labeled Iran an "international outlaw" that sponsors terrorism, sabotages the efforts to bring Middle East peace and is determined to make nuclear weapons, Iranian leaders see the United States as a global bully whose vast military presence in the Gulf is intended to prevent Iran from becoming the region's dominant power.

They vehemently deny a role in the bombing of Al Khobar Towers in Saudi Arabia, which left 19 Americans dead, and regard suggestions that they were responsible as part of a vast international plot against them.

And as the campaign for next summer's presidential election in Iran gets under way, Iranian officials are even more inclined to blame the United States for the absence of a relationship between the two countries.

The Clinton administration is planning a formal review of its policy of continuing to isolate Iran, given its strategic importance, particularly now that Turkey and Saudi Arabia have become less reliable allies and Saddam Hussein remains the leader of Iraq. But there is no indication that policy will change greatly.

Senior administration officials are more convinced than ever that Iran's highest-ranking officials are directly involved in ordering and paying for operations the United States defines as terrorist, particularly the assassination of Iranian dissidents abroad and support for guerrillas in Lebanon.

The Iranians have never rescinded the death order against Salman Rushdie, the British writer accused of blasphemy. U.S. intelligence reports suggest that Iran's leadership was plotting to kill Mr. Rushdie during a recent trip to Denmark.

But the re-election of President Bill Clinton and the emergence of a new U.S. foreign-policy team has set off a debate of sorts within the Iranian government on whether there will be any softening in Washington's attitude.

The most wishful thinkers are some of the veterans in Iran's Foreign Ministry, who speak English, travel widely and hold degrees from respected American and European universities. They express delight that Secretary of State Warren Christopher, whose views on Iran were shaped when he was the Carter administration's chief negotiator during the hostage crisis, will be replaced by Madeleine Albright.

During a conversation with four such officials over dinner at a Foreign Ministry complex in the hills of North Tehran, there was no hint of ill will toward the United States.

"It would be understandable if Clinton in his second term does not want to follow the same policies of too much animosity toward Iran," said Abbas Maleki, a deputy foreign minister. "Maybe he wants to cool down the tensions."

Asked if they had any message to send to the new administration, another official said, "Best wishes."

"Merry Christmas! It's Christmas!" said another.

"We are waiting for Mrs. Albright!" Mr. Maleki chimed in.

But a more prevalent view is the one articulated by President Hashemi Rafsanjani: that the United States is an untrustworthy and arrogant superpower, but could be dealt with if it changed its attitude.

"We do not trust the United States," he said in an interview published this month by the London-based daily Al Sharq al Awsat. "Several times we have found it has no good will to negotiate. If the United States proves its good will, we are prepared for a dialogue with it."

But even Mr. Rafsanjani could not resist a bit of wishful thinking on prospects for change in Washington's attitude. "There are both positive and negative indications," he said in another interview this month.

By positive indications, Mr. Rafsanjani might have been referring to remarks by Robert Pelletreau Jr., assistant secretary of state for Near Eastern affairs, in Dubai in October. "We are open to dialogue with the government of Iran," he was quoted as saying. "Nobody thinks this is a perfect situation."

The State Department quickly denied that Mr. Pelletreau was signaling any change in policy. Even if he had, Iran's spiritual leader, Ayatollah Sayed Ali Khamenei, who is relentless in depicting the United States as Iran's permanent foe, rejected the overture as a blatant trick to weaken his country. And it is his view that counts.



Eyal Warshavsky/The Associated Press

Israeli police guarding the Tomb of the Patriarchs in Hebron on Sunday. Prime Minister Netanyahu says Israel will retain control of the site.

Security Issues Block Accord, Arafat Says

Agence France-Presse

CAIRO — Yasser Arafat said Sunday that "several difficulties" were still blocking an agreement with Israel on an Israeli troop withdrawal from the West Bank city of Hebron.

"The Hebron negotiations are facing several difficulties, and Egyptian and American efforts are aimed at solving them," the Palestinian leader said at the Cairo airport before meeting President Hosni Mubarak.

"These difficulties concern the right to hot pursuit, armaments, a buffer zone," Mr. Arafat said. He also listed "the date for the resumption of negotiations on the redeployment" of Israeli troops from rural areas of the West Bank "and of negotiations on a final status" for the Palestinian territories.

Mr. Arafat said he was in Cairo to inform Mr. Mubarak of these problems and to seek his advice "because we are passing through a very delicate and critical phase."

Mr. Arafat made no statements following his brief meeting with Mr. Mubarak. He was to meet next with the Israeli defense minister, Yitzhak Mordechai.



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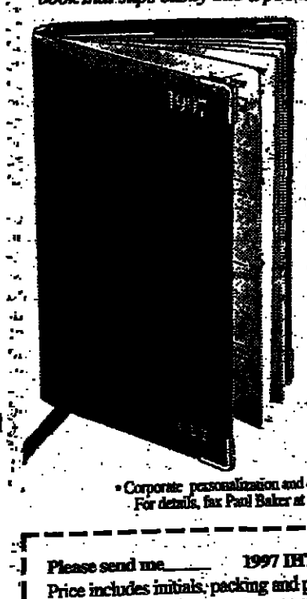


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INTERNATIONAL

Serb Police Block Marches by 70,000

Letter Hints at Army Wavering

Compiled by Our Staff From Dispatches

BELGRADE — Serbian security policemen blocked marches by 70,000 people in Belgrade on Sunday in the 42d straight day of protests over local election results.

About 50,000 activists of the opposition coalition Zajedno and 20,000 students massed in Belgrade squares at different times and then tried to swarm into major streets only to run into walls of riot police.

Both protest columns were boxed in by police cordons and had to retreat into pedestrian lanes or side streets. No disturbances were reported before demonstrators dispersed.

The police were enforcing a ban on street marches imposed by the ruling Socialist Party of Serbia after a riot last Tuesday involving Zajedno protesters and government loyalists who had been brought into Belgrade to show support for President Slobodan Milosevic.

Zajedno said one of its supporters died after being trampled by comrades trying to flee a police charge in the Christmas Eve riot. The death of Predrag Starcevic, 39, a teacher, was announced two days after the riot. Thousands attended his funeral Saturday.

There were signs Sunday that support for the democracy movement was growing to encompass even stalwart supporters of Mr. Milosevic.

At the start of one of the demonstrations, an actor read what he said was an open letter to Mr. Milosevic, his army chief and university students in the second-largest city, Nis, from military representatives in six towns, mostly from southern and southeastern Serbia.

"The truth is the most important thing, regardless of how dark it is," the letter said. "Serbia should stand together with countries where it is possible to live honestly, happily and in a satisfactory way."

The authenticity of the letter could not be confirmed. But independent news organizations have reported the existence of such a letter over the past few days, and the army, a traditional bastion of support for Mr. Milosevic, has not issued any denials.

The open letter energized the crowd, which started chanting: "It has started! It has started!"

Demonstrations have been held in 47 Serbian towns and cities virtually every day since Mr. Milosevic annulled the results of local elections on Nov. 17 that candidates of Zajedno, or Together, had won. Up to a quarter of a million people have demonstrated in the Belgrade protests. Police have been bused into the capital from throughout the republic to prevent the marching there.

On Sunday, the protesters in Belgrade took the police blockades in their stride. They walked in circles as if they were imprisoned and shouted "Murderers" and "Dogs" at the police. A carnival atmosphere then set in, with demonstrators linking hands in dances to Serbian folk music.

The Socialist Party cited unspecified "irregularities" in the polling on Nov. 17. But Zajedno, supported by findings of a mission from the Organization for Security and Cooperation in Europe, accuses the Socialists of vote-rigging. The opposition wants its victories reinstated in 14 towns and cities, including Belgrade.

Western governments have warned Mr. Milosevic that he can forget about financial aid for Yugoslavia's wrecked economy unless he concedes his party's electoral defeats and begins democratic reforms. But analysts say Socialist hard-liners, who lead privileged lives because of their control of state enterprises and shrug off the threat of renewed ostracism by the West, are pressing Mr. Milosevic to get tough with Zajedno now.

In a statement issued before the rallies Sunday, Zajedno accused Mr. Milosevic of resorting to a state of emergency and police terror to throttle the protests. Police officers were flooding provincial cities to scare Zajedno, it said.

"How many times does Milosevic plan to use police cordons to prevent Serbian citizens living normally?" it asked. *(Reuters, AP)*



Oleg Popov/Reuters

A marcher greeting the leader of the Serbian opposition, Vuk Draskovic, right, before the Belgrade rally Sunday.

Iraqis in Syria Claim Hit on Saddam Son

The Associated Press

KUWAIT — Three Iraqi opposition operatives drove a car disguised as a security agent's close enough to Saddam Hussein's son to hurl a grenade and then rake him with machine-gun fire as he struggled to escape, the group claims.

Udai Hussein, considered the heir to the Iraqi leader, was wounded in the Dec. 12 assassination attempt in Baghdad. He has appeared on Iraqi television several times saying he was recovering well, but has only been shown in his hospital bed partly covered with a sheet.

Iraqi opposition groups in exile say hundreds have been arrested after the attack, including senior members of the security forces.

Jawad Malki, the representative of the Dawa Party in Syria and Lebanon, told the Kuwaiti newspaper Ar Ra'i al Aam that the attempt on Udai Saddam had been planned for five months that and the three attackers had escaped.

"We were able to hit the shadow president," Mr. Malki told the newspaper in an interview from the Syrian capital, Damascus.

The Iraqi opposition and Western governments have looked for signs of revolt against Saddam Hussein, who has remained firmly in power despite UN trade embargoes and military retribution since the Gulf War dislodged Iraq from Kuwait in 1991.

Another organization opposed to Mr. Saddam, the Mohammed Madhlum Dulaimi Group, named after an Iraqi air force general executed for plotting against Mr. Saddam, also has claimed responsibility for the attack on the Iraqi leader's son.

Neither group's claim, nor the reports of the mass arrests, could be confirmed.

The Iraqi government has never given an official account of the attack. Some reports have discounted the use of a hand grenade.

Jaroslav Drabek, Czech War Hero, Dies

By Wolfgang Saxon
New York Times Service

NEW YORK — Jaroslav Drabek, 95, a Czech lawyer and writer whose resistance to German occupiers and the Communists led to a broadcasting career in the United States with the Voice of America, died Dec. 11 at his home in Washington.

Born in Chrudim in Bohemia, then part of the Austro-Hungarian Empire, he received his doctorate of law at the University of Prague in 1923. He practiced law and also contributed to newspapers until the Munich Pact in 1938 doomed Czechoslovakia as a sovereign country.

After President Eduard Benes fled to London, Mr. Drabek was a messenger from the country's underground resistance. He briefed the exiled leader on the country's mood and returned to Prague with guidance on how to organize the non-Communist resistance.

With others in the court system, he worked secretly to protect Jewish children until he was arrested. He survived by finding refuge in a mental institution.

After World War II, he was appointed chief prosecutor at the trial of German officials of the occupation. Among them was Karl Frank, the Nazi governor of Bohemia and Moravia, against whom he obtained a death sentence.

When the Communists took full control of Czechoslovakia in 1948, Mr. Drabek became a political target because of anti-Communist writings. As others around him were arrested, he fled with his wife and two sons by skiing across the border into Bavaria. After some months in Germany and France, the family arrived in New York.

At the Voice of America in New York and Washington, he broadcast commentary and news reports in Czech, often telling listeners at home about fellow Czechs living in the United States. He retired in 1971.

During the Carter administration, he served on the U.S. Holocaust Memorial Commission. He also continued to write books in Czech, both fiction and nonfiction, which were published by exile presses in Toronto and Switzerland.

William Walsh, 76, Was Founder of Project Hope

WASHINGTON (WP) — William Walsh, 76, a physician who founded Project Hope in 1958, bringing medical aid and health-education programs to suffering people around the world, died of cancer Friday at his home in Bethesda, Maryland.

The project maintains programs in 20 countries on five continents. During the last 38 years, Project Hope has trained 1.4 million health workers in 70 countries and directed the services of more than 5,000 health-care professionals who donated their time to the project. The project's floating hospital ship, the SS Hope, a converted navy hospital ship, sailed throughout the world between 1960 and 1974.

Dr. Walsh was presented with the Presidential Medal of Freedom, the highest U.S. civilian award, by President Ronald Reagan in 1987.

Mireille, 90, Was Singer and Composer of French Chansons

PARIS (AFP) — Mireille, 90, one of France's best-loved singers, actresses and composers of French chansons, died in Paris on Sunday after a 60-year career in which she once starred with Buster Keaton, Charles Boyer and Jean Gabin. She co-wrote about 600 popular songs.

WEST: *Sprawl and Urban Ills*

Continued from Page 1

decades, some of the shiny Western cities are becoming their worst nightmare. Los Angeles symptoms — bad-air alerts, traffic gridlock, loss of open space, huge gulfs between the rich and the poor — are becoming impossible to ignore.

For all their open space, the 13 states of the West make up the most urban region in America.

Sixty years ago, little more than half of all Westerners lived in cities. Today, 86 percent reside in urban areas. Utah, at 87 percent, has a higher percentage of city dwellers than New York, at 80 percent, according to a Census Bureau ranking of people who live in places with at least 2,500 people or a density of 1,000 per square mile.

The new urban West has six of the 15 fastest growing metropolitan areas in the nation. They are the magazine-cover cities: the trendy, high-tech centers of Seattle and Portland, Oregon, flourishing in a climate with eight months of drizzle; the nature-defying desert cities of Phoenix and Las Vegas, paradise for developers, and the Rocky Mountain kingdoms of Denver and Salt Lake City, thriving on their proximity to vertical playgrounds.

On average, these metropolitan areas are growing by 50,000 people a year. Their new jobs come from the kind of industries that are made for a world economy: tourism, telecommunications, trade and computer technology. These cities consider themselves blessed by nature and circumstance.

"There's a pride people take once they move here, people pinching themselves as they say, 'God, I'm glad I'm here,'" said Ray Studer, director of the urban and regional planning program at the University of Colorado in Boulder. "That's sometimes followed by, 'Now let's close the door.'"

But as healthy as these cities are in jobs and scenery, they, like California, are discovering that luck, benign climate and optimism are not enough.

Indirectly, some of these cities have put the full force of their taxpayer-financed infrastructure behind urban sprawl. Taxes paid for roads that quickly brought fourfold increases in congestion and dirty air. And the very tax structure that attracted new industries and home builders with promises of rock-bottom property tax rates is now crippling schools and fostering a shortage of parks and community space.

"My rule of thumb is that the faster the rate of sprawl, the faster the rate of abandonment," said David Rusk, the former mayor of Albuquerque, New Mexico, who has studied urban patterns in more than 300 cities. "You look at Detroit, which has lost a million or so people. It consumed land at 13 times the rate of population growth."

Some people attribute the bloated urban areas to a political climate that holds private property concerns up as a sacred right and is opposed to taxes intended to finance the ultimate cost of growth.

Under the flag of property rights, developers have been able to resist efforts to curb excess, or to set aside open space.

"It's an old Western ethic: Don't tell me what to do on my property," said Governor Roy Romer of Colorado.

But others say the paving of paradise is happening at an incremental enough rate that few people see the big picture.

"We are repeating the mistakes of L.A.," said Steven Boand, the former mayor of Castle Rock, a city of 16,000 people just south of Denver.

"But it's happening slowly, so that the average Joe only sees part it, like the traffic congestion, and doesn't connect it to everything else."

Only Portland, which long ago decided to defy the boom mentality and consciously design a future city, seems situated to enter the new century without having to spend billions of dollars to fix problems brought by excesses at the end of the old century.

"These cities all think they're special, because they're set in such special places," said Robert Liberty, the director of 1,000 Friends of Oregon, a group that monitors urban growth issues. "But they are delusional."

In Phoenix, where the sound of air-powered nail guns is almost a civic anthem, there is a group called "Not L.A.," reflecting the general sentiment of people trying to avoid past urban mistakes.

But the city of Phoenix, with just over a million people, now surpasses Los Angeles (which has three times as many people) in sprawl, its city limits covering 469 square miles (180 square kilometers). Most days, its air is among the dirtiest in the nation outside Southern California.

"I've been driving from one meeting about sprawl to the other for the last 15 years, and the only thing that's changed is that now it takes a lot longer to get there," said Rob Melnick, director of the Morrison Institute for Public Policy at Arizona State University.

PERU: *Compromise in the Air*

Continued from Page 1

ditional, but the situation was not traditional. Now the MRTA appears to be giving priority to talks that could lead to conversations that can lead to a peace process. That would allow both sides to save face, and could eventually lead to the freeing the prisoners through an amnesty."

A formal peace process with the rebels would be difficult for Mr. Fujimori to swallow, said Carlos Chipoco, an opposition congressman, because, unlike the Marxist groups that negotiated peace agreements in El Salvador, Guatemala and Colombia, the Tupac Amaru represents no military threat to the government, although it clearly demonstrated its capacity to carry out isolated actions.

But the rebel group is not the only side shifting positions. Mr. Fujimori has apparently successfully fought off pressure by hard-liners in the military and his cabinet to enter into no talks at all with the Tupac Amaru. While the official government representative is Education Minister Domingo Palermo, more significant is the increasingly deep involvement in talks with the rebels of Bishop Juan Luis Cipriani.

Bishop Cipriani, a member of the conservative Opus Dei movement in the Roman Catholic Church, is one of Mr. Fujimori's closest friends. His involvement, including several visits to the hostages in recent days and sitting in on the meeting between Mr. Palermo and the rebels Saturday, "shows the government now has a clear will to negotiate," Mr. Chipoco said. "The position of some sectors of the government and the army of no negotiations has been set aside."

PEACE: *For War-Torn Guatemala, 'Now Comes the Hard Part'*

Continued from Page 1

ranging from those that guarantee Indians' rights and land reform to others that reduce the size and authority of the 46,000-member armed forces and provide for the resettlement of refugees and displaced people.

"With peace, there are going to be a lot of expectations and demands," said Jorge Briz Abularach, president of the country's leading business federation. "But the underlying reality will continue to be the same until we can change it, and the only way we can do that is through development and dialogue."

Carrying out all the programs required by the accords will require a huge investment much beyond Guatemala's capacity. Mr. Arzu estimated that nearly $2.3 billion would be needed in the next four years. He said he was counting on the international community to supply about two-thirds of that amount.

"One of Arzu's worst nightmares is that this is going to fail," said a diplomat in Guatemala City. "He needs tangible results in the first year so that people don't give up on this and go back to recrimination."

Mr. Gutierrez is a Kanjobal Indian who spent a decade in the United States after fleeing army and death-squad massacres in his home village in the late 1970s. Interviewed at a bus station in the market town of Chichicastenango, he said he was hoping the government would give priority to programs that would help his two children, such as education and health. A bystander, Crispin Perez Ixtuc, 74, interrupted to say that roads, electricity and running water were even more important, but then thought again.

"There's no point in arguing about this," he said. "The truth is that we need everything, and the sooner the better."

How much money will be available remains uncertain, at least until Guatemala sits down with donors in Brussels next month. Friendly countries and international organizations have already underwritten similar processes in El Salvador and in Nicaragua, and are showing signs of fatigue.

"I have my doubts we will get that much money," Mr. Briz said. "These days, countries don't have enough money to solve their own problems, let alone those of others."

The United States, which organized the 1954 military coup that started the cycle of government-sponsored violence and repression in Guatemala, is a case in point. Though U.S. officials say they hope to triple the figure quickly, the Clinton administration has asked Congress for $27 million dollars in aid to Guatemala for next year, down from $90 million in 1991.



Rodrigo Arangua/Agence France-Presse

The daughter of a guerrilla watching a rebel unit's final military exercise near Escuintula, Guatemala.

ALGERIA: *In Undeclared War, Foreign-Sought Oil and Islamic Extremism Make a Volatile Mixture*

Continued from Page 1

prehensively call the "North," hundreds of miles from the camps cocooned in the state-within-a-state that is the Algerian Sahara, fear is never far from the surface. Military roadblocks abound and unmarked cars carrying what are presumably security personnel careen around with submachine guns dangling ostentatiously from their windows.

Although the government describes terrorism as "residual," brief announcements talk daily of 20 people killed "in a cowardly way" on a bus, or 31 people slain "in a cowardly way" in a village like Sidi Kebir, 50 kilometers (30 miles) from Algiers. To slit a throat in Algeria is, in official parlance, to be a craven killer and an Islamic fundamentalist.

No announcements mark the often brutal reprisals by security forces. Nobody knows exactly how many people have died — the use of mass graves is widespread — and, increasingly, nobody knows exactly who is killing whom.

The conflict began in 1992 when the military-backed authority that has ruled Algeria since independence from France in 1962 canceled the country's first multiparty elections when the Islamic Salvation Front appeared set to win. The party, a populist movement of protest calling itself simply "the party of God" and thriving on Algeria's rampant economic woes, then split into armed factions pursuing insurrection and a more moderate wing.

Diplomats said that Mr. Clinton had written two letters in the last year to President Liamine Zeroual, a retired general, urging him to be "inclusive" — to reach out to as wide a spectrum as possible of the nonviolent opposition in seeking national reconciliation.

But Mr. Zeroual has recently appeared to ignore this advice, pushing through a repressive constitution last month and trying to eradicate not only the Armed Islamic Group, the most ruthless of the factions to split from the Islamic Salvation Front, but also any trace of the party itself.

The new constitution, establishing a parliament unable to pass laws without the president's approval and banning any parties based on religion, was met by silence in Washington and other Western capitals.

"By any estimate, the constitution is deplorable," said Robert Mortimer, a political scientist at Haverford College. "But the United States has kept a determinedly low profile ever since the war began. Basically, the line has been it's more a French problem than ours."

France has been disinclined to embark on any peace initiative in its former colony. Algeria gives Paris the jitters.

With French unemployment already high and the politics of immigration already tense, the thought of young Algerians flooding across the Mediterranean in the event of an upheaval has dominated French thinking. More than half of Algeria's 28 million citizens are under 20.

At the price of attacks in Paris by Islamic guerrillas, France has quietly backed a government that has kept the oil flowing, paid its debts to French banks and provided what France sees as the only alternative to a radical Islamic movement that has already proved seductive to some of the 800,000 people of Algerian descent living in France.

Other European countries have fallen in behind France, and a diplomatic silence has fallen over Algeria.

Isolated, little talked about, the war has taken on a quality as surreal as the contrast between the desert and Algiers. The police, it is commonly said in Algiers, are often disguised as bearded Islamic radicals; the guerrillas, in turn, it is said, are often neatly groomed in leather jackets. American and French diplomats are not allowed to leave their compounds, so have scant chance to glean any meaningful intelligence.

Between the extremes, a growing number of Algerians have the disturbing impression that a twisted symbiosis may now exist between the country's Islamic violence and its military-backed government.

The more throats that are slit, the more Algeria is polarized, the more remote seems the democratic reform embarked on in 1989 and aborted in 1992.

The sense of an impasse that is almost willed, of a country held hostage to two dark forces, is widespread.

The threat from the Armed Islamic Group — now widely thought to be a splintered movement lacking a unified leadership — remains formidable. Omar Bellouchet, the editor of the Algiers daily El Watan, knows all about it.

He had just dropped his two children off at school. He looked back to be sure they were safely through the door. Then he saw the two gunmen with pistols. They ran forward, firing at him and the tires. He lay almost flat on the front seat, floored the gas pedal and survived.

That was on May 17, 1993. Since then, at least 56 journalists have been killed by the Islamic guerrillas, who have also attacked intellectuals, singers, writers and artists whose work they deem incompatible with Islamic law.

In the face of such violence, more than 500 journalists have left the country. Several hundred others, including Mr. Bellouchet, now live in a specially guarded residence to the west of Algiers. He has sent his two children to live with a relative in France. His wife, shaken by the terror, died of a heart ailment. He is afraid, but he feels he cannot leave his country.

"We went through a war of liberation to fight off French colonization that was unbelievable in its savagery," Mr. Bellouchet said. "One million dead to be free. But after the war, the military power simply dilapidated the strength of the country and its resources through waste and corruption. And there was a revolt. That is what the Islamic Salvation Front was: a revolt. There is no way the 3 million Algerians who voted for the front wanted a fundamentalist state. And that in turn produced this tragedy, this second Algerian war."

The editor picked up a copy of another paper, Le Matin, whose front page marked the anniversary of the death of one of Algeria's best-loved columnists, Said Mekbel, shot on Dec. 3, 1994, in a café opposite the press building. Mr. Bellouchet shook his head.

"Only democracy can save this country," he said. "That is why I publish. So that we can have a real debate. Of course, the government tries to shut us down every time we publish something they don't like, but without a debate there is only the darkness."

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EUROPE

Nazis' Gay Victims Focus of New Debate

By Alan Cowell
New York Times Service

BERLIN — Everywhere in Berlin, it sometimes seems, the present is predicated on a glorious future.

At Potsdamer Platz, near where the Berlin Wall once represented Europe's division, the construction cranes rebuilding a unified city now stand like giant herons in yellow and blue. A little way north, past the unmarked site of Hitler's last, bunkered redoubt, the innards of the Reichstag have been stripped to bare stone to make way for Germany's new Parliament building.

Yet nothing in this city — or, indeed, in much of Germany — can shake the past.

It is barely surprising, therefore, that the latest debate should spill from history's catalogue of injustice: how to commemorate the thousands of homosexuals who suffered and died on the wheel of Nazi Germany's determination to eradicate all who departed from the notion of Aryan perfection.

The disabled, Gypsies and homosexuals all fell into this category. While their numbers do not match those of the Jews killed, those who carry the banners for these groups are determined that Berlin should march into the next millennium bearing a formal acknowledgment of their history.

There has already been much debate over the nature of a memorial to Jews, and a recent symposium about a separate memorial to persecuted homosexuals had hardly opened when it divided over a question of which homosexuals should be commemorated.

Some contend that the memorial should focus on the 10,000 men who were consigned to prisons and concentration camps. Others want to include in the concept the discrimination suffered by all homosexuals.

Joachim Muller, a prominent historian of the Nazi persecution of homosexuals, went so far as to boycott the symposium to underscore his point that "the persecution was always a persecution of men," targeted by the notorious Law No. 175, which forbade male homosexual activity.

The law was first included in Germany's criminal code in 1871, when the country was unified under Bismarck. But in 1935 the Nazi authorities tightened its provisions to enable them to punish without overriding proof of homosexual conduct.

The law remained on the postwar West German books until 1969. Under its provisions, Mr. Muller said, 50,000 men were prosecuted by the Nazis, and of those, "between 10,000 and 15,000" were sent to concentration camps. Hundreds died.

"The laws were exclusively against men," he said. "It is not acceptable to equate what happened to these people" with the destiny of lesbians.

That view found some resonance at the symposium but ran counter to the argument that, as an introductory brochure for the symposium put it, "Lesbians were also affected by Nazism because of the destruction of their infrastructure; and intimidation."

Albert Eckert, a proponent of the monument, said: "Lesbians lived in a climate of fear and intimidation, and so we think that they should be remembered together. But the monument should show how differently the two groups were treated."

That is not the only issue in dispute, though. Some gay men and women, Mr. Eckert said, want the monument at Nollendorfplatz, widely known as a meeting point for homosexuals.

Indeed, a modest plaque has already been placed at the subway station there — shaped as a triangle to recall the pink badge that homosexual men were forced to wear in concentration camps. The plaque bears these words: "Beaten to death, silenced to death — to the homosexual victims of Nazism."

Others want the monument to be close to the Brandenburg Gate, near the Reichstag building, which will form the symbolic heart of a reunified Berlin and which is also foreseen as the appropriate setting for a monument to Jews who died in the Holocaust.

Some city council members have questioned whether a memorial to the persecution of homosexuals should be close to those recalling the deaths of 6 million Jews and 500,000 Gypsies, lest the various degrees of oppression be placed on the same level.

The battle lines over that issue have long been drawn. Almost two years ago, Ulrich Roloff-Momin, Berlin's former senator for culture, made the counterargument. "The danger lies not in the proliferation of monuments," he said. "It lies in forgetting."

Russians Leave Chechnya

Exit of Last Combat Unit Sets Stage for Election

Reuters

MOSCOW — Russia prepared to pull its last combat unit out of Chechnya on Sunday under a peace deal between Moscow and separatist leaders that paves the way for regional elections next month.

Itar-Tass news agency quoted the Russian military command in Chechnya as saying that units of the 205th Motor Rifle brigade were expected to board planes Sunday and leave from the Khankala air base outside the regional capital, Grozny.

The military told Tass that only logistics and transport units would remain in Chechnya pending a final pullout next month.

"Now the coalition government will carry full responsibility for the situation in the region," Tass quoted Ivan Rybkin, secretary of President Boris Yeltsin's policy-making Security Council, as saying in reference to the separatist leadership.

Under the peace deal signed on Aug. 31, Moscow promised to withdraw its forces, which were sent to Chechnya in December 1994 to quell the southern region's quest for independence.

Tens of thousands of people died in 21 months of war, and the Russian troops suffered many humiliating defeats.

The rebels, for their part, agreed to postpone by five years the decision on Chechnya's political status. But their leaders make little secret that they still want full independence.

Under their pressure, Mr. Yeltsin abandoned the idea of keeping the 205th brigade and another brigade of Interior Ministry forces permanently in Chechnya, and ordered a complete withdrawal.

The separatist leaders have scheduled local elections for Jan. 27 to elect a Chechen president and Parliament. They are pressing Moscow to complete the pullout by the day of the polls.

Moscow officials have said that, unless complications arise, the withdrawal will be completed several days before the polls, in which all five major Chechen resistance leaders will run for president.

The five, known as "resistance candidates," have failed in their attempts to united behind a single candidate but have vowed to stick together after the polls.

BRIEFLY EUROPE

Sinn Fein Worried After Foiled Attack

LONDON — The situation in Northern Ireland is "rapidly deteriorating," Sinn Fein's deputy leader, Martin McGuinness, said Sunday, a day after a foiled bomb attack on a Republican leader in Londonderry.

"The situation is clearly a rapidly deteriorating one. We have a very serious and grave situation," Mr. McGuinness said in an interview with Sky Television.

The bomb Saturday targeted Liam Duffy, the campaign director for Sinn Fein, the political wing of the Irish Republican Army, in the Waterside district of Londonderry. Mr. Duffy raised the alarm after discovering a suspicious object underneath his car, which was parked in a Catholic area of the town.

Although no one has claimed responsibility for the attack, sources close to the police say they suspect the Ulster Freedom Fighters, a unionist terrorist group. *(AFP)*

6 Dead and 14 Lost On Greek Freighter

ATHENS — Divers on Sunday found the bodies of six crewmen in the wreck of a Greek freighter that capsized off the coast of the eastern Evvoia Peninsula, the Merchant Marine Ministry said.

The search continued for 14 other people on the ship, including two women and a 10-year-old girl, but without much hope of finding survivors, the ministry said.

Only one of the crew, an 18-year-old cadet, has been found alive after he jumped from the boat and launched distress flares when the freighter Distos, carrying 21 people, overturned late Saturday. The vessel, loaded with 5,300 tons of cement, was on its way from Volos, north of Evvoia, to Piraeus, the port of Athens. *(AFP)*

Rome Graves Hit

ROME — Vandals attacked Jewish graves in a cemetery in Rome, breaking some tombstones and ripping the names and Star of David off a number of others, the police said Sunday. The desecration was discovered early Sunday, and about 300 people from the local Jewish community attended a ceremony to resanctify the site later in the day.

The vandals surrounded one tomb with barbed wire and swastikas and left the sign "Arbeit macht frei" (work brings freedom) next to a small cemetery chapel. The same words were placed over the entrance to the Auschwitz death camp in Poland where millions of Jews were killed during World War II. *(Reuters)*



Vassil Donev/Agence France-Presse

SENT PACKING — Prime Minister Zhan Videnov of Bulgaria putting away documents after Parliament approved his weekend resignation and that of his cabinet at a party congress a week earlier.

Major on Offensive

LONDON — Prime Minister John Major, trailing badly in polls, pledged Sunday to fight — and win — the coming election on the basis of a booming economy.

Setting the tone for the election campaign, Mr. Major said Britain faced a watershed year in 1997. "They can choose a future where prices and mortgage rates are firmly under control," Mr. Major said to the chairmen of local Conservative Party associations.

"They can choose a future that looks rosy, with the best economic conditions this country has seen for a century. They can choose a future where British interests will be fought for in Europe.

"Or they can risk a future with an untried, unrealistic alternative. We will win that election, because on all three counts it is too risky to trust Labour with Britain's future," he said in the letter, released by the party on Sunday.

But the opposition Labour Party, which has a poll lead of 20 points or more with an election due by May, dismissed Mr. Major's rallying cry. "It is a desperate last-ditch effort to win back support before the election," said the Labour's deputy leader, John Prescott. *(Reuters)*

Communists Help Pass Yeltsin Budget

By Michael R. Gordon
New York Times Service

MOSCOW — In an unusual display of cooperation, the Communist-dominated Russian Parliament and President Boris Yeltsin's government have worked together to adopt a budget for 1997.

The budget of 530 trillion rubles (about $96 billion) was approved by the Parliament over the weekend by a vote of 243-117. Under law, three approvals are needed for final passage by the lower house, and this was the third.

Though the move was a critical step, many amendments still need to be considered by the Parliament and a final, formal approval is scheduled for late January. The budget must also be approved by the upper house, where it is expected to pass.

The vote in the lower house Saturday was held without bitter feuding or government closings. Nor did Mr. Yeltsin have to dismiss his reformist chief of staff, Anatoli Chubais, as the Communists initially demanded.

"By backing the draft federal budget the Communists have taken a major step toward transforming themselves into a party of 'responsible opposition,'" the newspaper Segodnya commented.

To be sure, the approach taken by the Communist leader, Gennadi Zyuganov, may be primarily tactical. It is also true that the new cooperative stance remains highly unpopular with many of the Communist rank and file, who yearn for ideological warfare with Mr. Yeltsin.

To win approval, the Yeltsin government made a few nods in the Communists' direction, such as giving more money to military research and calling the spending plan a "budget of economic development." But the main thrust was determined by the Yeltsin camp.

Gennadi Seleznyov, the Communist speaker of the Parliament, recognized as much Saturday when he called the new budget "maybe the worst budget ever." At the same time, he highlighted his party's cooperation with Mr. Yeltsin.

In fact, the main opposition came from the liberal Yabloko bloc, headed by Grigori Yavlinsky.

Under the plan, expenditures total 530 trillion rubles. Revenues total 434 trillion rubles, leaving a budget deficit projected at 96 trillion rubles, or 3.5 percent of Russia's gross domestic product.

Two of the largest expenditures are the military (104 trillion rubles) and servicing of government debt (78 trillion). Under current rates, there are about 5,500 rubles to one dollar.

Lebed Forms '3d Choice' Party

New York Times Service

MOSCOW — Two months after he was abruptly forced out as President Boris Yeltsin's national security adviser, a confident and defiant Alexander Lebed has announced that he is forming a political party to mount a drive for the Kremlin.

Mr. Lebed asserted Friday that his Russian Popular Republican Party had the backing of banks and wealthy financiers and would give voters a third choice besides the Communists and Mr. Yeltsin.

"We must become an alternative to both the Communists and the present democratic apparatchiks," said Mr. Lebed, a retired general who ran a strong third in the preliminary round of presidential elections this year.

"I am a maximalist," he said. "We will seek the support of small and medium-sized business, big private industry, the armed forces, the military-industrial complex, the intelligentsia."

Dehaene Concedes He Erred

Reuters

BRUSSELS — Prime Minister Jean-Luc Dehaene said Sunday that he had reacted clumsily to a child murder and molesting case that erupted in August, shaking the nation.

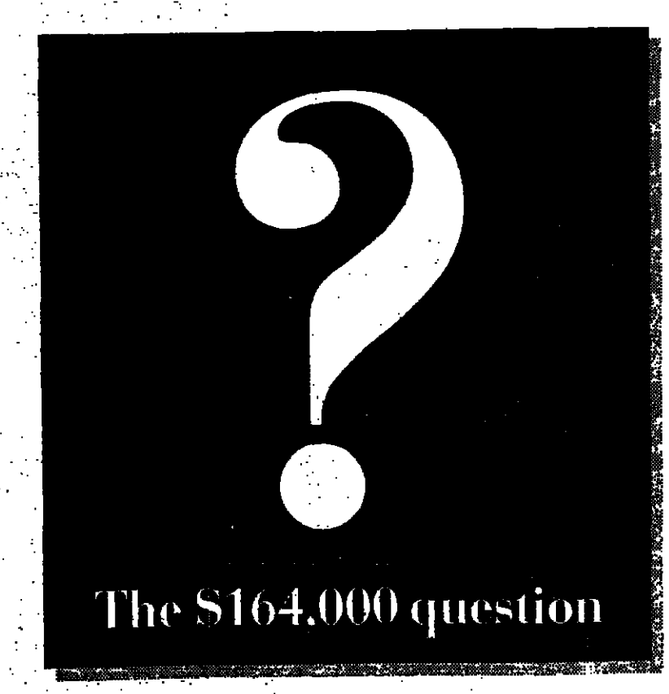
He said on VTM television that a turning point came two months later, when 250,000 people took to the streets of Brussels for a "White March" to protest what they said was an inefficient political and legal system that allowed the convicted rapist Marc Dutroux to operate a child kidnapping and pornography ring that led to the deaths of at least four girls.

"I reacted awkwardly," he told VTM. "The turning point was the White March.

The forces of the White March should be used to make things better in 1997," he added, vowing to continue with reforms he promised to parents of dead or missing children at the time of the march.

Mr. Dehaene said it would have been wrong to call elections at the time of the uproar over the Dutroux case, arguing that would have inflamed the situation.

He also praised Deputy Prime Minister Elio di Rupo for carrying on with his duties while facing accusations of having had sex with boys under the legal age of consent of 16. Mr. di Rupo was cleared by Parliament of the charges.



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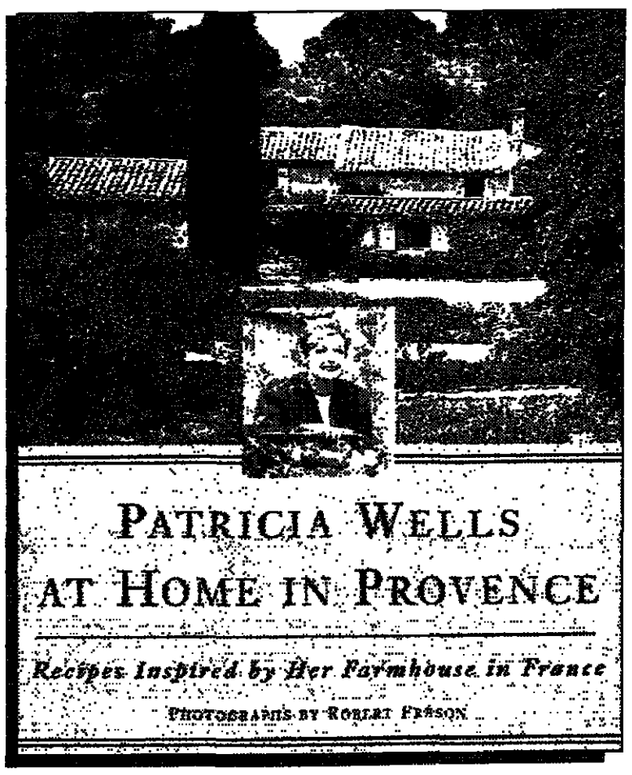
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Herald Tribune

THE WORLD'S DAILY NEWSPAPER

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Patricia Wells has lived in France since 1980, where she is the restaurant critic for the *International Herald Tribune*. She is the author of five best-selling books: *The Food Lover's Guide to Paris, The Food Lover's Guide to France, Bistro Cooking, Simply French,* and *Patricia Wells' Trattoria.*

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Bad for Hong Kong

Every step toward the transfer of Hong Kong back to China is a somber reminder that after the recent liberation of so many countries from communism, a vibrant and relatively free society is soon to be swallowed up by a Communist dictatorship.

The rigged selection this month by China of the future chief executive and legislature of Hong Kong makes clear that political freedoms will be severely curtailed if not entirely eliminated once China assumes control on July 1, 1997. The remaining question is whether China will also crush Hong Kong's bustling economy and independent judiciary.

The dismantlement of Hong Kong would not just be a tragedy for Hong Kong and China, which can prosper together if Hong Kong's freedoms are preserved. It would also represent a serious setback to China's emergence as a world power. By imposing its political and economic system on Hong Kong, China would break the international agreement it reached with Britain 12 years ago that committed Beijing to the preservation of Hong Kong's freedoms for 50 years after the transfer.

The agreement, known as the Joint Declaration, and an accompanying constitution for Hong Kong called the Basic Law made clear that for the next half-century China would grant Hong Kong a high degree of autonomy in all matters except defense and foreign affairs. Hong Kong's capitalist economy, its legal system and other liberties would remain intact. The breach of these treaty obligations would undermine China's claim that it has become a dependable, law-abiding member of the world community.

China's disdain for the agreement with Britain was demonstrated by the manner in which Hong Kong's future political leader and legislature were chosen. A committee of 400 Hong Kong citizens carefully picked by China made the decisions without the slightest accommodation to democracy.

The chosen chief executive, Tung Chee-hwa, is a shipping tycoon whose family business was rescued from imminent insolvency in the 1980s by a secret $120 million investment by the Chinese government. Although university-educated in Britain and employed for 10 years in the United States, Mr. Tung has offered a tepid defense of Hong Kong's political freedoms since his appointment. His references to the importance of "Chinese values" suggest that he will have little interest in defending Hong Kong's press freedoms and its more recently established democratic political institutions when he takes office next summer.

His enthusiasm for Hong Kong's entrepreneurial spirit looks stronger, but it is unclear whether he or his Chinese patrons appreciate the importance of maintaining the rule of law and open access to information that are the foundation of Hong Kong's economic vitality.

There was even less reason to cheer the appointment of the new provisional legislature. Although Britain only belatedly permitted its colony a freely elected legislature, Hong Kong residents embraced the idea, and a varied field of candidates contested elections in 1995 for the Legislative Council. It will be eliminated come July 1, and the 60-member body appointed by China will take its place and serve for at least a year before some other group is picked.

Any pretense of democracy was abandoned when China's foreign minister, Qian Qichen, presided over the appointment of legislators at a meeting in the Chinese city of Shenzhen, safely removed from Hong Kong where the proceedings would have been challenged in an independent court system. Ten of the members selected had been rejected by Hong Kong voters in 1995 when seeking election to the Legislative Council. They subsequently tilted toward China in their views.

President Bill Clinton and his new national security team ought to give some thought to the fate of Hong Kong before they roar down the road to improved relations with China and two planned summit meetings with Chinese President Jiang Zemin. The sight of Mr. Clinton welcoming Mr. Jiang to the White House as China strips Hong Kong of its freedoms is not something that Americans are likely to applaud.

—THE NEW YORK TIMES.

Terrorists in Lima

Make no mistake about it. The guerrillas who still hold some 80 hostages at the Japanese Embassy in Lima are terrorists. They were ready to risk the lives of more than 500 embassy partygoers, grabbing them as trade bait for the freeing of 300 of their followers in Peruvian prisons. Not only are many lives yet at stake. Now this desperate band seeks to exploit the drama and the cameras to make over its image.

Terrorists have orchestrated the release of several hundred hostages whom they found burdensome and unnecessary to their purposes. Some of those released came out in "Stockholm syndrome" style, congratulating their captors for treating them humanely. The guerrillas apparently hope to convert a crisis entirely of their own manufacture into a national and even an international referendum on the rule of President Alberto Fujimori.

But it is the terrorists' conduct that is at issue here. The Christmas turkeys they allowed to be delivered to the besieged embassy do not alter the fact that they are acting cynically, even if blood has yet to flow.

Mr. Fujimori is acting with an evident awareness that he is responsible both for the safety of hostages, current and future, and for the integrity of the state. This is the familiar dilemma of victims of terrorism.

Among the foreigners offering him their advice, the Japanese government seems to be emphasizing negotiating and the American government seems to be emphasizing standing firm.

Early in the crisis, Mr. Fujimori rejected an opportunity to make a separate deal for some of his relatives trapped in the embassy; a brother evidently is there still. He has refused to release Peru's guerrilla prisoners. Instead he has offered the terrorists safe passage to some location outside Peru as an incentive to lay down arms and free all the hostages. The International Committee of the Red Cross is running one government-guerrilla channel, and perhaps there are others.

In Latin America there is still one political current prone to romanticizing guerrillas and terrorists as agents of a benign and necessary change. Moreover, in a number of countries comprehensive political settlements have been devised to bring guerrillas into the political ring. Guatemala is the current case. No such project seems to have been mounted in taut Peru. Rather, the Marxist group Tupac Amaru that is involved there has been trying to move into a space opened up when President Fujimori cut down its better known rival, the nihilistic Shining Path. A year ago, police battled their way into a Tupac Amaru safe house in a Lima suburb and confiscated an arsenal including 8,000 rounds of ammunition and 3,000 sticks of dynamite. In this showdown, the government is on the side of life and law.

—THE WASHINGTON POST.

Other Comment

No Winners in Peru

The hostage ordeal in Peru is another sad example of Latin American radicalism gone haywire. On a continent where repressive, often brutal governments have been the rule for centuries, there has been no shortage of these sorts of rebellion. But history has shown that events of this sort have done little if anything for the downtrodden. When the Peru crisis ends, the result surely will be the same.

The quality of life for everyone in Peru will diminish a notch. Peruvians of all classes will start looking over their shoulders again. The Peruvian political and economic miracle that President Alberto Fujimori had so eloquently sold worldwide has been tarnished. Events like this help no one, and more often than not it is the innocent whose lives are sacrificed.

There will be no sudden enthusiasm for a socialist society. Nor will the current rulers change their approach, which is not to let poverty stand in the way of doing business. Progress in Latin America eventually will stem from this approach, but the poor only know they have little to eat. However, to join the terrorists is to risk even the hope of solving that problem.

— Los Angeles Times.

Russia Is Advancing, Yet the Cold War Endures

By Stephen Sestanovich

This is the first of two articles.

WASHINGTON — The breakup of the Soviet Union five years ago was perhaps the most astonishing event in the second half of the 20th century. The collapse combined at least three-and-a-half revolutions in one.

Leninist politics were to be supplanted by democratic pluralism; Stalinist economics, by private ownership and the market; the czarist empire, by a dozen suddenly independent states; and what was left of the Cold War, by rapturous Russian-American partnership.

Five years is hardly enough time for a final verdict on changes of this magnitude, but it is enough for provisional judgments about what is working and what isn't. Some surprising conclusions suggest themselves.

Those transformations that aroused the deepest doubts five years ago — that led serious people to ask whether Russia was really ready for Westernization — have generally gone better than the doubters expected.

By contrast, in Russian-American relations we have too little to show for the past half-decade. The West won the Cold War. It should be further behind us than it is.

When the Soviet Union disappeared, the skeptical view had it that neither history nor culture prepared Russians for democratic capitalism, much less for the discomfort of getting there. Faced with (to quote one recent scholarly outburst) "an endless collapse of everything essential for a decent existence," the people were obviously going to opt for something familiar, such as dictatorship.

Such forecasts staked a lot on a reading of the popular mind. But the best research on the Russian man-in-the-street suggests that his views have remained much calmer than many Western analyses. Year by year since 1992, the percentage of Russians who believe that their economic situation is holding steady or getting only marginally better or worse has never been less than 60 or more than 65.

Behind such figures, of course, lie a lot of frayed overcoats, starchy diets and appalling medical care. Yet if popular attitudes are changing at all in response to prolonged privation, the trend seems to be toward slightly greater optimism.

In 1992, 24 percent of Russians polled said they expected life to be a little better after five years. That figure has inched up to 32 percent. (And the 15 percent who said they expected things to be a lot worse has inched down to 9 percent.)

As for the idea that Russians simply don't get what democracy is all about, or are disenchanted with it, the polls again tell a different story. When asked to evaluate specific democratic freedoms — religion, speech, assembly, independent political activity — Russians prefer the present to the past by majorities that have grown steadily and are now as high as 5-to-1.

Public attitudes of this kind hardly guarantee good policies or strong democratic institutions, but without them neither policies nor institutions will survive for long. For all Russia's difficulties (and some will not be overcome for many years), it is tracing a slow, bumpy but dogged route to political and economic normalcy.

Given this record, it is discouraging to see Russia's relations with the outside world unfold so much less favorably. Today we remember the Bush administration's "new world order" talk with embarrassment. But if the slogan was fatuous, the aim was not. Applied to Russian-American relations, it meant putting the struggles of the Cold War aside.

The reason for doing so was not to make a show of magnanimity toward a defeated power, but because the war was really over and we in the West needed a framework for dealing effectively with the problems that would preoccupy us in the future.

We are not there yet. In fact, with the dispute that has taken shape over the expansion of NATO, the past is definitely gaining on us. It would be hard to think of a policy that more pointlessly re-enacts Cold War battles without really helping to deal with post-Cold War problems.

Over the next year and more, as NATO discusses the first round of new invitees, and then the second, we may have to get used to a kind of retro-diplomacy on both sides — blustery take-it-or-leave-it offers, walkouts and so on. The year 1991 will seem very far away; 1981 may not.

The writer is vice president for Russian and Eurasian affairs at the Carnegie Endowment. He contributed this comment to The New York Times.

Watch the People Who Make Clinton Foreign Policy in 1997

By Jim Hoagland

WASHINGTON — On the surface, 1997 promises more of the same for Bill Clinton on the foreign policy front. He opted for comfortable continuity, reshuffling rather than remaking the national security wing of his cabinet.

But personality counts enormously in the Washington policy process when there is no overriding crisis. President Clinton's decision to welcome only one new player at the top — William Cohen to head the Defense Department — gives us a good test case for measuring the personality quotient in policy.

Assume confirmation by the Senate of Mr. Clinton's nominees, and keep this scorecard, by region, handy for 1997:

The Middle East. Do not expect to see Madeleine Albright visiting Damascus 27 times to continue Warren Christopher's wooing of Syrian President Hafez Assad. Mr. Christopher used the Damascus shuttle to keep Arab rulers from derailing the Israeli-Palestinian deal. Look for less emphasis on Arab hand-holding by the Clinton administration's Iron Lady.

Her instincts — and events — will lead her to concentrate time and energy on an increasingly serious problem: helping Benjamin Netanyahu get control of his fractious cabinet, as he shuttles in crablike fashion between the demands of Ariel Sharon and the needs of Yasser Arafat. Avoiding disaster — a new intifada, civil strife within Israel or Israeli-Syrian clashes — will be her highest Mideast diplomatic goal for 1997.

Russia. Will Mrs. Albright defer as gracefully as Mr. Christopher did to the reality that Strobe Talbott, her deputy and Bill Clinton's close friend, is secretary of state for Russia?

Mr. Talbott's condition for going to the State Department under Mr. Christopher was that Russia and other ex-Soviet republics be hived off from the European bureau and run as a separate division, even as the administration proclaimed integrating Russia into a European security order to be its highest priority. Watch the bureaucratic infighting around the State Department organization chart as an early signal on Mrs. Albright's intentions on Russia and Central Europe, her own areas of expertise.

China. Mr. Christopher barely counted on China policy. The key figures were incumbent Treasury Secretary Robert Rubin, who initially got Mr. Clinton to back off putting human rights at the center of Washington's contacts with Beijing, and outgoing Defense Secretary William Perry.

Does Mr. Cohen pick up the Perry role, quietly but effectively arguing that a strong military-to-military relationship is America's best bet to influence change in China? Or will the strong commitment that he and Mrs. Albright have shown to human rights in Communist-ruled countries in the past bring badly needed balance to a policy that now borders on appeasement?

Western Europe. Mrs. Albright has a great opportunity to sweep aside the months of petty bickering that marked relations between Mr. Christopher and Foreign Minister Hervé de Charette, who is hanging on to his job in Paris by a loose fingernail. He made clear on a recent visit to Washington that he will soften French demands on NATO command arrangements and accept just about any face-saving compromise the United States will offer.

The trans-Atlantic relationship is a natural starting point for the Albright era. Disputes over the Middle East (the real point of tension between France and the United States), trade and the pace of NATO expansion provide both the opportunity and the need for serious diplomatic repair work.

Bosnia poisoned Mr. Christopher's relations with America's most reliable allies at the start of Mr. Clinton's first term. The Dayton peace accord then proved that U.S. and West European interests in the Balkans can be reconciled, if strong and clear U.S. leadership is provided. Mrs. Albright and her fellow designees should not have missed that lesson.

They do not have a full policy year in front of them. Much of their ability to get their programs in place will be determined by two big events that occur as summer begins. At the end of June, China takes over Hong Kong, and in early July NATO's current 16 members meet in Madrid to decide on taking in new members and organizing a new security relationship with Russia.

Managing those two transitions to safeguard U.S. interests tops the coming year's challenges for Madeleine and The Boys. And, I confidently predict, so will one other momentous event that will feature prominently on history's scorecard for this team: the crisis that neither you nor I nor they can foresee as 1997 begins.

The Washington Post.

Try Your Hand at Forecasting News Breaks of the New Year

By William Safire

WASHINGTON — Four of my long shots came in last year, including the second mole in the CIA and the upset in the Israeli election. Obdurate contrarianism led me astray on 11 others, however, including the presidency of the United States and the stock market. But a New Year is a new day.

1. When Newt Gingrich steps down, the new House speaker will be (a) Henry Hyde, (b) Richard Armey, (c) John Kasich, (d) John Boehner, (e) Tom DeLay, (f) Susan Molinari.

2. Surprise best-seller of the year will be (a) "The Names of Things," etymological wonderment by Susan Brind Morrow; (b) "Crazy Rhythm," a revealing memoir by Leo Garment; (c) "The Night in Question," stunning stories by Tobias Wolff.

3. At the secret heart of the Clinton dirty-money scandal is (a) the financial hushing of Webster Hubbell and Craig Livingstone; (b) the Riady conversation in the presidential limousine; (c) the dealings in Jackson Stephens's Worthen Bank; (d) Paul Redmond's search for the ghost of Larry Wu-Tai Chin.

4. Mr. Clinton's major domestic success will be (a) restoring food stamps to legal immigrants by being gentle in use of the line-item veto; (b) holding Republican capital-gains reduction to a measly 5 percent, no indexation; (c) unreforming welfare reform by one-third; (d) getting Trent Lott to join him in passing the buck to commissions on Social Security and Medicare.

5. Clinton foreign policy will be (a) happily hawkish as NATO expands eastward; (b) decidedly dovish as commerce with Fidel Castro commences; (c) inept as U.S. pressure on Benjamin Netanyahu encourages Yasser Arafat to demand a divided Jerusalem; (d) impotent as China lays a heavy hand on Hong Kong freedom with no U.S. economic retaliation.

6. The Supreme Court will decide (a) that in doctor-aided suicides there is no "right to die"; (b) that libertarians are right in their objection to drug testing; (c) to reverse the Eighth Circuit and hold 7-to-2 that Paula Corbin Jones's lawsuit will have to wait until her accused harasser leaves office.

7. First Whitewater witness to crack and implicate the boss in a cover-up will be (a) hushed Webster Hubbell, (b) sick Jim Guy Tucker, (c) unpardonable Susan McDougal, (d) central Bruce Lindsey, (e) broke Maggie Williams, (f) resentful David Watkins, (g) dumped Harold Ickes.

8. President Clinton will (a) pardon co-conspirators and risk impeachment; (b) refuse pardons and risk a co-conspiracy charge; (c) fire Ken Starr and risk a firestorm; (d) let justice take its course and win in court.

9. Al Gore will (a) clash with Tennessee Senator Fred Thompson in Senate dirty-money hearings; (b) begin subtly to put space between himself and a weakening Clinton; (c) replace command-and-control environmentalism with flexible industry incentives.

10. Winner of the year will be (a) "The English Patient," sweeping the Oscars; (b) dissident Wei Jingsheng, getting the Nobel Prize he needs to save his life in a Chinese prison; (c) Web-TV and the digital video disk that plays movies, as they zoom past cable television and dish the satellite Whigs.

11. Power is realigned as (a) a Daschle-Gephardt coalition of united Democrats and rebellious moderate Republicans backs Mr. Clinton and overwhelms the Republican "majority"; (b) contrariwise, united Republicans join with blue-dog Democrats to overcome presidential vetoes; (c) Alexander Lebed makes a surprise deal with the Communists, forcing Boris Yeltsin to replace dull Prime Minister Viktor Chernomyrdin with lively Moscow Mayor Yuri Luzhkov and hated staff chief Anatoli Chubais with reformer Grigori Yavlinsky.

12. President Clinton's popularity (a) drops under impact of congressional hearings on Asian connection and revelations of Independent Counsel; (b) rises slightly as new White House counsel employs balance-of-contrition strategy with ethically wounded Speaker Newt Gingrich; (c) holds steady as people grow bored with scandal and the economy stagnates, interest rates drop, the stock market marches on up; (d) soars as Madonna's sympathetic portrayal of the first lady in Andrew Lloyd Webber's "The Trial of Hillary" smashes Broadway records.

My choices: 1-c, 2-c, 3-d, 4-d, 5-all, 6-c, 7-c, 8-d, 9-c, 10-a, 11-none, 12-a.

The New York Times.

Yes, Peacemaking Can Be Taught

By Colman McCarthy

WASHINGTON — Dear Readers: This is my final column, as syndicated by the Washington Post Writers Group. In return for the privilege of having this regular conversation with you, I can say that I never turned in a column without asking the crucial question: Is this the best writing — the clearest, most honest, freest of cant — that I can produce? If not, write it again.

Atop my typewriter is a yellowed scrap of paper with a line from an unknown author: "Write without effort and they read it without pleasure."

I started with The Washington Post in 1968. My first story was a free-lance report from Mound Bayou, Mississippi, an all-black delta community battling hunger. I sent in more articles and was hired months later by Phil Geyelin, then The Post's editorial page editor. Since that lucky moment, I have averaged 2,000 words a week, 100,000 a year and now approaching 3 million.

Most of that output has centered on the only topic I have cared about: human possibilities. What should be the moral purpose of writing if not to embrace ideas and ideals that can help fulfill the one possibility we all yearn for, the peaceable society? Peace is the result of love, and if love were easy we would all be good at it.

For nearly three decades I have sought out the experts at love — the only expertise that matters. Whichever part of the country, town or neighborhood I went into, unfailingly I could find someone or some group — usually unnoticed — advancing human possibilities.

One morning in early 1986, I was in a South Carolina death row interviewing a man awaiting his hours-away electrocution. That afternoon I spent time in a birthing center to learn about midwives serving low income families. The life force was observable in both places, as was human goodness. The prisoner had asked the victim's family and God for forgiveness. He was able to reclaim, in that rebirth, some of the innocence found in newborns across town.

In the early 1980s I went astray by seeking an answer to a question that long gripped me: Can peacemaking be taught, and learned? If peace is what every government claims to be seeking, and if peace is what every heart hungers for, should it have an academic place in schools?

To find an experience-based answer, rather than a useless theoretical one, I asked the principal at the public high school nearest my office if I could teach a course on nonviolent conflict resolution. Go for it, she said, and go all out.

As a volunteer teacher, I have been in classrooms since — first at that high school and since then at others. Teaching year-round, and in college and law school, I have had the enlivening company of some 5,000 students.

As a lifelong pacifist, I have had my suspicions confirmed. Yes, peacemaking can be taught, the literature is vast. The young are passionately seeking alternatives to violence. Schools should educate as much about peacemakers as about peace-breakers.

Yes, whether the killing and harming is done by armies, racists, corporations, polluters, domestic batterers, street thugs, animal exploiters or any others in this graceless lot, the cycle of violence can be broken — but only if the methods, history and practitioners of nonviolent force are taught and studied at every grade level. We can't act on what we don't know.

The study and teaching of nonviolent force is in its infancy. Not putting writing entirely aside, I plan to throw myself into peace education, expanding full-time what I have been doing part-time these past 15 years.

It leads nowhere only to blame militarists, racists and other believers in violence for the mess we are in. What is harder is self-examination, moving beyond carping by looking inward to ask the personal question: What more should I be doing to bring about a peace- and justice-based world, whether across the living room or across the ocean?

Few are called on to do great things, but all of us can do small things in a great way.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Cuban Deal

WASHINGTON — The Post says that Mr. Olney and Senor Dupuy de Lôme, the Spanish Minister, have terminated negotiations which will be submitted to Congress. Spain asks the United States to propose terms to the insurgents, and in return Spain is considering a reciprocity treaty, dealing mainly with Cuban products to compensate the commercial losses America has sustained. Senor Canovas, Spanish Premier, explains that Spain will guarantee an amnesty and carry out a new reform law to offer Cuba limited independence.

1921: Bank Besieged

ROME — A sensational warning of the severe economic crisis through which Italy is passing was given to the public by the closing of the Banca Italiana di Sconto, the second largest of the four most important banks in this country. The suspension of all operations pending the courts' decision regarding the bank's demand for a stay of payment has caused a panic. The premises of the bank are besieged by crowds of depositors and are strongly guarded by police.

1946: TWA Crash

SHANNON, Eire — The Trans World Airline Constellation Star crashed on an island in the River Fergus as it approached Shannon airport for landing. The plane, on its regular midnight run from Orly field, south of Paris, bound for New York, burst into flames as it struck the ground and was completely disintegrated. Twelve persons were killed in the crash of the giant plane carrying fourteen passengers and a crew of nine. The remaining eleven persons aboard were taken to hospitals with injuries.

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LANGUAGE

The Fine Art of Administering Noogies

By William Safire

WASHINGTON — You have to watch those parenthetical asides. I toss them in occasionally, drawing on memory rather than research, and I get burned every time. In a column celebrating the new volume of the Dictionary of American Regional English, I wrote about the adjectival use of *Indian:* "An *Indian burn* is inflicted by 'grasping a person's arm with both hands and twisting in opposite directions simultaneously.'" So far, so good; there are those who call this reddening of the skin a *snakebite* or even an *arm hickey,* but *Indian burn* is the most widely used term. Then I added, "(In the Bronx, that's called a *noogie.*)"

Hoo-boy, am I going to get it next summer at the 50th reunion of the Bronx High School of Science's Class of '47. "Doze gize in da Bronnix dunno nuthin' 'bout giving no *noogies,*" writes Peter Rossi. He defines *noogie* as "grabbing the other guy in a one-arm headlock, making a fist with one's free hand with the middle-finger knuckle raised slightly from the pack and rubbing that knuckle into the scalp of the headlockee."

"From the relative placidity of St. Paul, Minnesota," writes Amy Levine, "I recall the peer-inflicted pain of *noogies* from my Bronx childhood. However, they hurt not the skin but the skull, against which one's tormenter briefly but harshly ground his knuckles."

Eminent doctors have also taken me to task. "In Brooklyn," writes Dr. Nicholas Christy of the College of Physicians and Surgeons of Columbia, "*noogie* means a bop on the top of the head with the knuckles; a refinement is that the knuckles are rubbed around a little to intensify the pain."

Dr. Allan Gibofsky of the Hospital for Special Surgery in Manhattan notes, "A variation on this is the *noogie pop,* which is just a sharp blow to the head by another's knuckle, and was frequently administered to me by my cousin Jay (who did live in the Bronx)." "Administering a proper *noogie,*" adds Gene Linett of Summit, New Jersey, "invariably a playful gesture denoting nothing more than mild annoyance, was accurately demonstrated on more than one occasion some years ago in the 'Saturday Night Live' skits involving Lisa Loopner (Gilda Radner) and her boyfriend, Todd (Bill Murray)."

A query to the American Dialect Society's E-mail list elicited this response from Daniel Long of Tennessee at the Japanese Language Research Center in Osaka, Japan: "It's rubbing with the knuckles on the head, painful because the hair gets pulled."

Noting the hard *g,* making the word rhyme with *boogie-woogie,* etymologists will make the connection of *noogie* with *knuckle;* rooted in the Dutch word *knook;* "bone." That led to Middle Low German *knoke,* and to Middle English *knockel.* By the 1940s, *knuckle* was also a slang word for "the head," leading to the World War II use of *knucklehead* as a jocular put-down.

Further evidence that the Bronx term has roots in Holland is that the transitive verb *knuckle,* "to press or rub with the knuckles," has also been called a "Dutch rub," causing many a victim to "*knuckle* under." That is the only synonym to *noogie* noted in scholarly literature. But a *noogie* is clearly not an *Indian burn.*

□

Paul Simon of Illinois took a Parthian shot before retiring from the Senate. (Not a *parting shot* — the ancient Parthians liked to take pops at opponents over their shoulders while running away.) The bow-tied Simon voiced concern that politicians may be appointing "pro-gambling *ringers*" to the new National Gambling Impact Study Commission, an examination he had long supported of a multibillion-dollar industry, and that such appointments might "*stack the deck*" in favor of gambling.

Nice use of a slang metaphor. In gambling, the noun *stack* is a column of chips, but as a verb, *to stack a deck* is to arrange a pack of cards in a sequence to give the dealer an advantage over the poor sucker who is being dealt a losing hand.

A *ringer* has meant "look-alike" since the early 19th century, perhaps based on the 1812 British slang term *ring in,* meaning "to exchange or substitute fraudulently." When emphasis is desired, the phrase is *dead ringer,* coined in 1891, using *dead* in its curious sense of "exact," as in *dead center* or *in horse racing's dead heat.* A century ago, *ringer* made its appearance in turf slang, as "a horse fraudulently slipped in under another's name."

When Simon says *ringer,* he means "an appointment made of an ostensibly objective person who is actually on the side of the gamblers."

Politics loves horse-racing terms. Beyond mere bargaining is *horse trading;* a candidate of unknown potential is a *dark horse,* coined in an 1831 novel by Benjamin Disraeli; professional pols wonder if an amateur will *bolt* the party, or whom the *front runner* (one who *shows early foot)* will choose as his *running mate.*

A less familiar horse-racing term picked up by politics is *shoo-in,* for "sure winner." *Shoo!* is a colloquial imperative meaning "run along," a form of gently urging on a child or animal. In olden times, among corrupt jockeys, a long shot was selected to beat the faster horses, and the pre-selected winner was "shooed in" by the others.

Metaphor mixing of sports and gambling terms is permitted because racing and gambling have long been linked. If a few *ringers* on the commission add up to a *stacked deck,* according to the Simon formulation, one would expect a pro-gambling report to be a *shoo-in.*

New York Times Service

INTERNATIONAL

Mystery of Hoodlum Elephants

Why Do Young Bulls Kill White Rhinos in South Africa?

By Suzanne Daley
New York Times Service

PILANESBERG NATIONAL PARK, South Africa — The call came over the radio as Gus van Dyk was busy exploring the remoter stretches of this 60,700-hectare park.

Much as he tried, he could not get his four-wheel-drive vehicle through the brush fast enough. By the time he got to the watering hole, the elephant and the rhinoceros were at peace, each munching in its own style, moving indifferently away from each other.

But the incident would be entered in Mr. van Dyk's files at ranger headquarters, where he is the monitoring officer. The elephant with the large notch on his right ear, known as Jace (for just another confused elephant), had been seen by a ranger resting his trunk on the back of a white rhinoceros. Such close contact, even though it was not overtly aggressive, was enough to give him a rap sheet.

In the last year, 20 of the park's white rhinos — an endangered species — have turned up dead. Officials believe at least 10 were killed by elephants who chased the rhinos, knocked them down, knelt on their backs and gored them. Elephants were among the suspects in at least five other cases, but the bodies had been so scavenged or decomposed that it was impossible to be sure.

The mystery is: Which elephants are doing this and why?

Pilanesberg officials believe they are paying the price for their well-meaning but ill-informed early efforts to save some elephants by relocating them.

The elephants in Pilanesberg were all brought here as juveniles, saved from the rifles of gamekeepers who were culling an elephant overpopulation in one of South Africa's other parks. But the transplanted elephants were left without the complex social structure typical of their species. For several years the Pilanesberg elephants had no mother figures; they still have no father figures.

The theory is that some of the young males — now the equivalent of teenagers — have become, in effect, juvenile delinquents, lacking social restraints on their periodic bouts of *musth,* a sexual fever in which they become unpredictable and aggressive.

The park has already passed a death sentence on one of these young elephants. In just two months the elephant charged and struck three cars carrying tourists and harassed three rhinos.

"We took a look at his rap sheet and said 'O.K., pal, you're out of here,'" Mr. van Dyk said. The execution ended badly, however. The mortally wounded elephant lived long enough to kill the professional hunter who had tracked him.

But park officials do not want to just kill off the hoodlums in the elephant population, which currently totals 87. The park is also trying another solution — a sort of elephant Big Brother program. They are bringing in some bulls to see if the older men can bring the younger ones into line.

Typically, older male elephants travel with two *askaris* — the term is an African one for young male warriors in training. The hope is that the older males will be able to suppress the musth in the younger ones and teach them to behave.

But bull elephants can be 14 feet (4 meters) tall and weigh almost 8 tons. No one has ever tried to move elephants that big before, and engineers at Kruger National Park, the country's largest and oldest park, are only now designing special trucks for the job. "We can't possibly hope that all our guys will latch on," Mr. van Dyk said. "They've been on their own for a while now. It might be too late for some of them. But it's worth the try."

The idea of bringing in the bulls is based in part on the park's earlier success at social engineering. When the young elephants first arrived at Pilanesberg, they behaved strangely for elephants.

They scattered across the park, wandering on their own.

Usually young elephants live in herds headed by older females. So the park got two older females. Within weeks the ladies had restored order and the herd was formed. The hope is that now the new bulls will have a paternal effect on the young males.

Marion Garai, who coordinates research on elephants for the Rhino and Elephant Foundation, says that the nonprofit research organization has just begun to collect information on the subject. As the first park to get relocated elephants, Pilanesberg may simply be the first to experience a phenomenon that could occur in many other parks.

"There have certainly been incidents in some of the other parks, too," Mrs. Garai said. "We are trying to look at the statistics to see what is going on."

Of course, the social maladjustment theory is just a theory. There are other ideas, too. It could be that the ratio of elephants to rhinos is too high in the park. (Mr. van Dyk believes this is unlikely as they do not compete for food or territory). Or it could be that the constant tourist traffic has disturbed the elephants. (But there are vast stretches of the park that are closed to tourists).

"There is no question that there is a lot we don't know," Mr. van Dyk said. "Even if we are right on what the problem is, it will be years before we know with any certainty."

BOOKS

PIGSKIN
The Early Years of Pro Football

By Robert W. Peterson. 228 pages. $25. Oxford University Press.

Reviewed by
Jonathan Yardley

PUDGE Heffelfinger, Jim Thorpe, Fritz Pollard, George Halas, Bronco Nagurski, Red Grange, Don Hutson: These are among the most celebrated and treasured names in the history of professional football. These days they are also, in all likelihood, among the most forgotten. For a nation blissed out on sports, Americans are astonishingly ignorant of and uninterested in the early years of the games we claim to love so madly.

This is unfortunate for any number of reasons, not the least being that the formative years of pro sports are usually a great deal more interesting than the present era. By contrast with the big-money games of today, with their inflated salaries and lockstep march to television's tune, the early games were played by rough men in rough conditions — "rugged and sometimes brutal," is how Robert W. Peterson puts it in "Pigskin" — in which a real love of the sport was more important than money or fame, since precious little of either was available.

If anything, the early years of pro football were rougher than those of baseball. Then as now, the phrase "pro baseball" was virtually unknown, since the professional game was dominant from the outset. Pro football, by contrast, labored for decades in the shadow of the college and even the high school game.

Pro football traces its roots to the late 1880s, at least according to this account. Peterson believes that some Ivy League schools were paying young men to play well before the genuine pro article began to emerge in and around Pittsburgh in the 1890s. This is plausible, since the Ivy League of that day was every bit as tainted as any big-time college conference is today; a gifted player such as the legendary Heffelfinger of Yale did not have to worry about money, as there was always someone around to slip him some, a useful reminder that the more things change, the more they remain the same.

Gradually the pro game expanded from western Pennsylvania into Ohio, where it gained a strong following. The Canton Bulldogs were among the most successful early teams. "It was not by accident," Peterson writes, "that the National Football League, was born in Canton in 1920 or that the Pro Football Hall of Fame is located there." The NFL was actually the American Professional Football Conference, founded "to raise the standard of professional football in every way possible," and did not assume its present name until 1922, when "national" seemed appropriate for an organization that had become "something bigger than its own teams."

A number of men played important roles in these early years. George Halas organized the Chicago Bears and was "a pillar of orthodoxy in the NFL's early years." Red Grange, the Galloping Ghost of Illinois, greatly increased fan interest in the NFL. Joe Carr, the league's first president, now utterly forgotten, seems to have been as important in its early years as Pete Rozelle was in its later rise to the forefront of American sports.

The evolution of what we now know as NFL football was slow and halting. It was a single-wing game originally; the T-formation did not become "the offense of choice" until the mid-1940s, after the Bears' celebrated demolition of the Washington Redskins in the 1940 championship game, by the score of 73-0. It took a while for passing to assume its present importance, for the player draft to be adopted, for the location of franchises to be stabilized and for television to rear its seductive head.

Peterson's account is straightforward. He has a strong interest in the early history of professional sports and has written two previous books about it: the excellent "Only the Ball Was White," about black baseball and the Negro Leagues, and the workmanlike "Cages to Jump Shots," about pro basketball. He is authoritative but, in the case of "Pigskin," somewhat pedestrian. There are fewer anecdotes and personal experiences in this tale than facts, statistics and scores unearthed from newspaper files and other written sources. This is fine, and gives the book a solid factual basis, but "Pigskin" is less engrossing and immediate than its subject warrants.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

DEFENDERS must always stay alert, especially when the declarer is likely to have communication problems. On the dramatic deal shown in the diagram, West fell from grace in this area and permitted an "impossible" slam to come home.

North and South were Edith Denenberg of Pompano, Florida, and Sandy Rosen of Roslyn, Long Island, who were en route to a remarkable 77.5 percent score at the Pompano Club in Florida.

South opened her powerhouse hand with an artificial two-club bid and eventually ventured six spades, the contract she had expected to reach from the start.

She ruffed the opening diamond lead, cashed the club ace, and followed with the ace and king of hearts.

She now had good prospects of taking all the tricks by ruffing a heart and throwing her remaining heart on the club king.

But when West ruffed with the seven of spades, the slam was headed for defeat.

Luckily for South, however, West sleepily chose the only one of his eight remaining cards that would allow the contract to succeed: He led the spade three, and South gratefully won with dummy's five and threw her last heart on the club king. A club ruff then permitted her to draw trumps.

NORTH
♠ 5
♡ J 5
◇ Q 9 7 6 5 3
♣ K 8 7 5

WEST
♠ J 7 6 3
♡ Q 7
◇ A K
♣ J 9 6 4 3

EAST
♠ —
♡ 10 9 8 6 2
◇ J 10 8 4 2
♣ Q 10 2

SOUTH (D)
♠ A K Q 10 9 8 4 2
♡ A K 4 3
◇ —
♣ A

Both sides were vulnerable. The bidding:

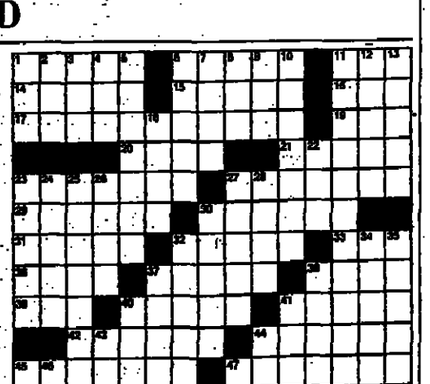
South	West	North	East
2 ♣	Pass	2 ◇	Pass
2 ♠	Pass	3 ◇	Pass
3 ♡	Pass	3 N.T.	Pass
6 ♠	Pass	Pass	Pass

West led the diamond ace.

CROSSWORD

ACROSS
1 Wood-turning tool
6 Welcome smell
11 Undergrad degrees
14 Disney mermaid
15 Site of golfing's Ryder Open
16 Genetic trait carrier
17 Make an error
19 Consume
20 Part to play
21 Teacher in a turban
23 Conciliate
27 Gotten back, as land in battle
29 Villain
30 Capital of Tasmania
31 Welles of "Citizen Kane"
32 Golden Horde member
33 Premium cable channel
36 Diana of the Supremes
37 Münchhausen's title
38 Lima, e.g.
39 Suffix with superintend
40 Rubbernecker
41 Fanny — of the Ziegfeld Follies
42 Area of Manhattan
44 Lighthouse light
45 Artist's studio
47 Make manhattans and such
48 Ear parts
49 Is up
50 Zoo bird
51 Be outrageous
53 — room
55 Deceive
60 Charge
61 "For shame!"
62 Mystery writer's award
63 Nairobi's land

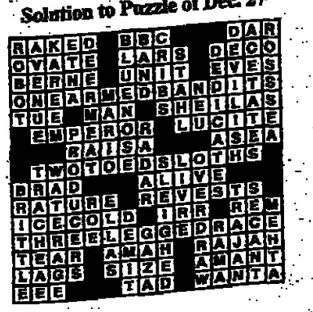
DOWN
1 Terhune's "— a Dog"
2 Opposite of "Dep." on a flight board
3 Tijuana uncle
4 With it, '40's-style
5 It loops the Loop
6 Dancer Astaire
7 Caftan
8 "... man — mouse?"
9 — de mer
10 Selected athlete
11 Get a party going
12 "What's in —?"
13 Luxurious sheet material
18 Hydrant hookup
22 Card game for two
23 Dean Martin song subject
24 Juan of Argentina
25 Not take responsibility
26 1961 space chimp
27 Copier part
28 Israeli statesman Abba
29 Quarters in a sultan's palace
32 Grow narrower
34 Breakfast sizzler
35 Upturned, as a box
37 Cotton bundle
38 Baby sitter's nightmare
40 Chewy part of meat
41 Bananas
43 Hearty drink
44 Alternative to a shower
46 With ears pricked
48 Weighty books
47 Ulan — Mongolia
49 — carotene
52 Help
53 Beer barrel
54 Feed lines to
55 Massachusetts cape
56 Braggart knight of the Round Table
57 H, to Greeks



Puzzle by C. F. Murray

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Dec. 27



Rwanda Starts Its Genocide Trials

Reuters

KIGALI, Rwanda — The first genocide trials in the Rwandan capital open on Monday, and on Sunday aid officials declared an end to an operation to repatriate Rwandan refugees from Tanzania, with nearly half a million back home this month.

People convicted on charges of taking part in the 1994 slaughter of an estimated 800,000 Tutsi and Hutu moderates face the death penalty.

"Those on trial are accused of playing a very serious role in the genocide," said Deputy Justice Minister Gerard Gahima, who declined to identify who would appear in court in Kigali.

The first trials in Rwanda opened on Friday in the southeastern town of Kibungo, where Deo Bizimana, a former medical assistant, and Egide Gatanazi, a former local administrator, both pleaded not guilty to organizing massacres.

Aid workers said nearly half a million Rwandan Hutu who fled to Tanzania after the genocide had returned home.

"The operation is winding down; overall, it is finished," said Justin Cockerell, a delegate of the International Committee of the Red Cross in the northwestern Tanzanian town of Ngara.

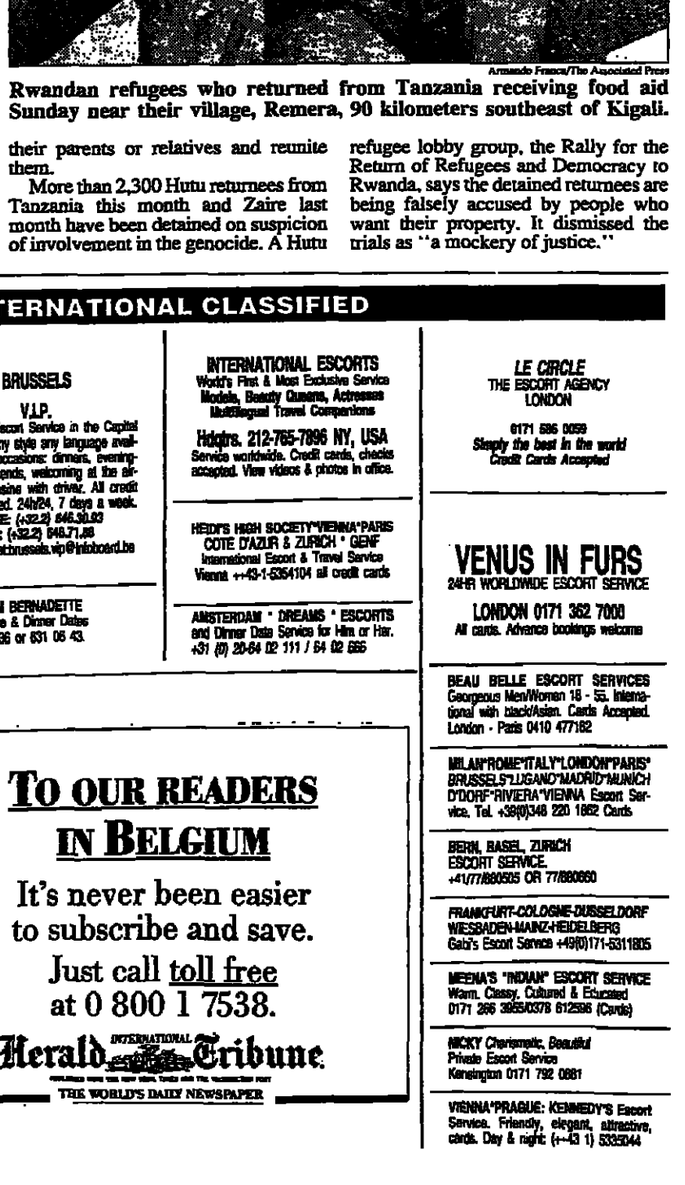
"There no longer appear to be any large refugee groups," he said by telephone. "We see one or two sporadic family groups. We will be mopping up, as clearly some people remain somewhere, but it will be nothing like the same scale as before."

Ephreme Kabayija, director of Rwanda's commission for the repatriation of refugees, said all refugees who had fled to Tanzania in 1994 had returned to their homeland by Saturday.

Rwandan radio quoted him as saying that no refugees remained in Tanzania and that none were still traveling after 480,000 returned since the repatriation operation started Dec. 14.

Mr. Cockerell said 1,000 children found unaccompanied during the repatriation were transferred to Rwanda, where aid agencies would try to find their parents or relatives and reunite them.

More than 2,300 Hutu returnees from Tanzania this month and Zaire last month have been detained on suspicion of involvement in the genocide. A Hutu refugee lobby group, the Rally for the Return of Refugees and Democracy to Rwanda, says the detained returnees are being falsely accused by people who want their property. It dismissed the trials as "a mockery of justice."



Armando Franca/The Associated Press

Rwandan refugees who returned from Tanzania receiving food aid Sunday near their village, Remera, 90 kilometers southeast of Kigali.

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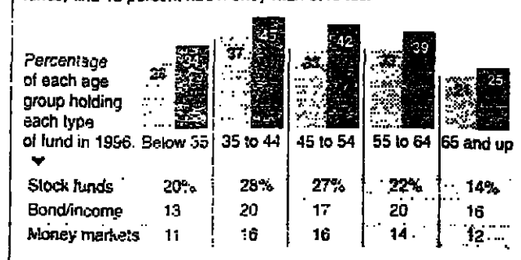
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MUTUAL FUNDS

Figures as of close of trading Friday, Dec. 27

Demographics of U.S. Fund Investing

Percentage of households with mutual funds, in '94 (▪) and '96 (■), based on the age of the head of the household. In 1996, 23 percent of all households had stock funds; 16 percent had bond and income funds, and 13 percent had money-market funds.



	Below 35	35 to 44	45 to 54	55 to 64	65 and up
Stock funds	20%	28%	27%	22%	14%
Bond/income	13	20	17	20	16
Money markets	11	16	16	14	12

Percentage of households with funds in 1996, based on the income levels in 1996. Overall, 37 percent of households invest in funds.

Source: Investment Company

The New York Times

Herald Tribune INTERNATIONAL

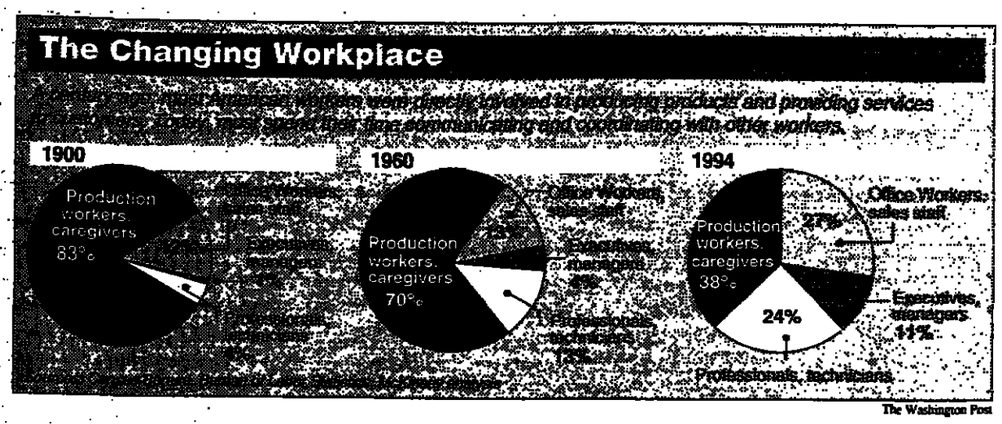
BUSINESS/FINANCE

MONDAY, DECEMBER 30, 1996

Cashing In On Trends In Advance

Management Gurus Highlight New Ideas

By Steven Pearlstein
Washington Post Service



WASHINGTON — Total quality management, outsourcing, benchmarking, partnering, re-engineering and team-building — so goes the litany of new management theories.

So often have they been mocked and vilified and challenged in academic studies that it is now conventional wisdom to dismiss them as "management fads" with little long-term impact on company performance.

But if that is the case, why have American companies that embraced the hot concepts become so competitive and profitable?

In fact, if you had invested in companies that were pioneers of these new management techniques — General Electric Co., Nike Inc., Federal Express Corp., Motorola Inc., Chrysler Corp., Wal-Mart Stores Inc., Hewlett-Packard Co., Nucor Corp., Southwest Airlines Co., to name a few — there is a good chance you would be reading this on a sunny patio somewhere.

Investing in cutting-edge management does have one important drawback: While the first company to adopt a successful management tool gains a powerful competitive advantage, that advantage often disappears as soon as competitors figure it out and begin to copy it. For the investor, the challenge is to figure out what the next fad will be, and what industries and companies will be the first to turn it to their advantage.

To assist in that exercise, here are three "big ideas" now emerging from the management gurus, consulting firms and business schools that should provide plenty of grist for the management-oriented investor with a sharp eye, a clever mind and a strong stomach.

• The Return of Strategy

Most of the successful management techniques of the past decade were about making a company's basic operations more efficient and effective. The improvements have often been dramatic. But as the Harvard Business School professor Michael Porter argues, it is getting harder to translate these gains into higher profitability.

Mr. Porter cites the case of the commercial printing industry, which recently spent billions of dollars to put in advanced presses that have eliminated thousands of production jobs while providing customers with higher quality, lower costs, greater customization and increased speed. But the benefits of these productivity gains are being captured not by the printers — whose profit margins are actually declining — but by their customers and the manufacturers of the new high-tech equipment.

For Mr. Porter, operational efficiency is a necessary condition for making money, but not a sufficient one. Companies also must figure out which activities are worth doing efficiently, serving which markets, with which products — the traditional questions of corporate strategy.

Mr. Porter likes companies that are ruthless specialists, tailoring all their activities to serve narrow market segments in ways that cannot be easily imitated by competitors.

He cites Vanguard Group, the mutual-fund company that offers above-average but not spectacular returns to investors with some of the lowest fees in the business, and Jiffy Lube, which specializes in automobile oil and filter changes and has resisted the temptation to expand its range of services, such as by changing brake pads or other auto parts.

According to Mr. Porter, what distinguishes the strategy-driven companies is that they have made hard choices about what to do and what not to do. By tailoring every facet of their business to accommodate that focused strategy, they can gain a sustainable advantage over companies that try to be all things to all people. For an investor,

See MANAGE, Page 13

Bonn Ministers Assail An Opposition Leader For Doubts on Euro

Compiled by Our Staff From Dispatches

BONN — Finance Minister Theo Waigel and Chancellery Minister Friedrich Bohl on Sunday denounced an opposition leader who predicted that the single European currency, the euro, would be weaker than the Deutsche mark.

Gerhard Schroeder, premier of Lower Saxony and a leading candidate for the chancellorship for the opposition Social Democrats, said in an interview in the newsweekly Focus on Saturday, "Naturally, the euro will be weaker than the mark."

Mr. Schroeder also stirred fears that Germany would end up supporting economically weaker European countries after the euro was introduced and lamented the fact that anyone who raised such concerns in Germany was quickly labeled anti-European.

Criticism quickly rained down on Mr. Schroeder, with Mr. Waigel slamming him for resorting to what he termed populist arguments and Mr. Bohl assailing his "irresponsible" remarks.

"He is proving once again with his reckless comments that he doesn't let any opportunity pass to get voters worked up with populism," Mr. Waigel told the newspaper Welt am Sonntag.

"Once again, this is nothing more than his obsession in raising his own political profile," Mr. Waigel added.

Mr. Bohl said Mr. Schroeder should worry more about reducing budget deficits in his own state, thereby helping Germany qualify for the single European currency in 1999, rather than stir fears among the public.

"Schroeder's panic-mongering against the euro is entirely irresponsible," Mr. Bohl told Welt am Sonntag. "The European economic and monetary union will most importantly be a motor for growth from which Germany will especially profit."

Mr. Schroeder even ran into criticism from a fellow Socialist leader, Kurt Beck, prime minister of Rhineland-Palatinate state, who said this was not the right time to add to the confusion among the German people over the euro.

After losses in state elections in March followed a previous flirtation with Euro-skepticism, the Social Democratic Party has in recent months reversed its position on the euro and called a single European currency the best response to a dominant dollar.

But Mr. Schroeder, who regularly stands up well against Chancellor Helmut Kohl in voter surveys and is the Socialist candidate many say would pose the most serious threat to Mr. Kohl's hopes for re-election in 1998, said he would not stay quiet on an issue that worried many Germans.

"Naturally, the euro will be weaker than the mark," Mr. Schroeder said. "If you put several weak currencies together with a few that are very strong, an absolutely strong currency cannot come out of that."

In a recent survey by the polling institute INRA, 54 percent of Germans surveyed said they expected the euro to bring them disadvantages, while only 30 percent saw advantages. Other surveys have found about two-thirds of the public opposed to trading in the mark for the euro.

In an interview to be published Monday that was released to news organizations Saturday, Mr. Schroeder told Focus that the Bundesrat, the upper house of Germany's legislature that is controlled by the opposition, could derail the country's participation in Europe's proposed economic and monetary union.

In fact, the Bundesrat probably cannot keep Germany out, a constitutional specialist quoted by Welt am Sonntag said, because that chamber committed itself to the unity plan by approving the Maastricht Treaty in 1992.

Mr. Schroeder told Focus that before he supported the plan, he wanted to know more about the conditions and how much it would cost taxpayers and said he wanted assurances that it would not damage Germany's ability to compete in the world economy. "The success of the euro is more important than the schedule," Mr. Schroeder said.

Mr. Waigel said the terms of Germany's participation were "clear and plain" and said there was no substance to Mr. Schroeder's suggestion that it would cost the country a large amount of money. *(Reuters, Bloomberg)*

20,000 Workers March in Seoul as Strike Continues

By Kevin Sullivan
Washington Post Service

TOKYO — The largest work stoppage in South Korea's history entered its fourth day Sunday with a rally in central Seoul by 20,000 striking workers chanting against new labor laws that were muscled through Parliament by the government of President Kim Young Sam.

About 15,000 policemen were deployed to prevent a repeat of the violent demonstrations on Saturday. In those protests, the police fired tear gas to stop 7,000 strikers who threw rocks, beat drums and chanted, "Kim Young Sam betrayed us!" No injuries were reported on Saturday, and the demonstrations Sunday were peaceful.

Mr. Kim's ruling New Korea Party passed the package of labor laws during a secret, predawn meeting of the National Assembly on Thursday. The session was attended only by members of Mr. Kim's party; it took them just six minutes to ram through laws that had been bitterly fought by opposition legislators.

The new laws allow employers to lay off workers, which had been nearly impossible before. The laws also allow companies to set flexible working hours, hire temporary or seasonal help and maintain a ban on more than one union in the workplace until at least the year 2000.

Mr. Kim's government says that the laws bring South Korea in line with international norms, and that the clandestine Parliament session was necessary because opposition lawmakers had been blockading the assembly for a week to prevent passage of the bills.

Labor leaders see the bills as unfair collusion between the government and the country's immensely powerful corporations, particularly the automakers and shipbuilders who drive South Korea's export-led economy.

Two major labor federations representing 1.7 million workers are out on strike. They have brought the country's automakers and shipyards to a near-standstill, and reduced major hospitals in Seoul to emergency-room service only. Striking subway and bus drivers are causing delays in service, although nonunion workers have been called in to keep public transportation running.

CYBERSCAPE

On-Liners' Roller-Coaster Ride in '96

By Victoria Shannon
Washington Post Service

WASHINGTON — You could say 1996 was the year of 1995 — or, rather, $19.95.

As the year winds down and we look back over the landscape of on-line services that magic number looms large. That's because nearly every commercial provider has settled on a monthly $19.95, unlimited-use subscription fee — a price far more than what light users had been paying and far less than what heavy users were shelling out.

But that wasn't the big issue when the year began. What people were talking about then was censorship and control. It was a gloomy time for many on-liners. CompuServe Inc. had just disconnected its members from a bunch of sexually explicit Usenet newsgroups under threat from the German government, and it was facing protests.

Those wails were nothing, though, compared with what erupted the next month with the passage of the Communications Decency Act, which was aimed at regulating "indecent" material in the on-line world. Blackened Web pages and ribbons of disapproval flooded the Internet and on-line services — as well as more than the normal quota of filthy words, spewed forth simply in defiance. The law is now going before the Supreme Court. All that happened less than a year ago? Goes to show that the on-line world lives a compressed life, like a dog, packing years of growth into a single 12-month spurt. Here are some other highlights for 1996:

• We marked the passing of Apple Computer Inc.'s eWorld and AT&T Corp.'s Interchange — remember them? They seemed like such a good idea at the time. CompuServe created Wow, only to decapitate it a few months later. Genie and Delphi shuffled off into niches of obscurity.

• Where were you when the lights went out? I was at the Macworld Expo in Boston when America Online Inc.'s entire system crashed this summer — the longest (19 hours), most far-reaching on-line silence we've undergone. But it wasn't the technology that failed, according to AOL. Nope, it was operator error — some technicians made a mistake when trying to upgrade the e-mail system.

• For all the teeth-gnashing CompuServe and AOL did in 1995 over Microsoft Corp.'s decision to make the Microsoft Network part of tens of millions of Windows 95 desktops, who could have predicted the lovefest they had with Microsoft this year? They signed cooperative deals with Microsoft and fell all over each other to get their subscribers a version of Microsoft's Internet Explorer.

• America Online finally solved the problem of those annoying art updates, with version 3.0 of its software. Surely you can recall how just a few months ago you were cursing daily as you waited for those blue-bar graphics downloads. Version 3.0 also let AOL bring us the Internet as it is supposed to look, more or less.

• AOL capitulated on how it calculates our bills. It settled a class-action lawsuit that challenged the way it rounded up the time on our clocks. We got a token refund of time in the deal, but now that unlimited access is a subscription option, it seems like much ado about nothing. In the meantime, the large community of AOL bashers out there on the Internet could rightly say, "Told you so."

• Prodigy and MSN transformed themselves into "Internet on-line services," using the hypertext language of the World Wide Web as the basis for their software. MSN's strategy is all or nothing — if you don't like the new MSN, you can leave — while Prodigy is keeping its proprietary service up.

As for next year, who knows? This is far from a mature industry. The biggest question I'll be watching: What if the $19.95 model of 1996 can't generate enough money to keep the on-line services in business in 1997?

On Internet: Cyberscape@iht.com

Looser Brakes at the Big Board?

SEC Wants 'Circuit-Breakers' Set in '80s to Be Eased

By Jill Dutt
Washington Post Service

NEW YORK — If the stock market takes a dive next year, prices could fall further before trading is halted, under a proposed change in market regulations.

These so-called circuit-breakers were first introduced after the 508-point plunge in the Dow Jones industrial average on Oct. 19, 1987. Under current rules, trading would stop on the New York Stock Exchange for half an hour if the Dow fell by 250 points and would stop again for an hour if the Dow then resumed its plunge and fell 350 points from its closing level of the previous day.

Under pressure from the Securities and Exchange Commission, the New York Stock Exchange is proposing to increase those limits to 350 and 550 points, respectively.

"The trading halts were intended to be implemented only during periods of severe market declines," said Howard Kramer, associate director of the SEC's division of market regulation. "Since they were first implemented in 1988, the markets have almost tripled in trading volume. We felt it was clearly time to revisit whether it was necessary to halt market trading for a decline of only 4 percent," which is what a 250-point drop would be at the Dow Jones industrials' current levels.

The 250-point "circuit-breaker" has never been triggered, so the measures — recommended by a task force headed by Nicholas Brady, Treasury secretary at the time — have never been tested.

The theory behind them is that the trading halts would give investors a chance to catch their breath and hunt for bargains in the wreckage of a steeply falling market. Critics of the circuit-breakers fear that closing the markets would cause investors to panic — and then to try to sell even more quickly when the market reopened.

Still, many investors take comfort from the certainty seemingly offered by the trading limits, which would stop trading not just at the New York Stock Exchange but at all U.S. markets, including the Chicago Mercantile Exchange, which trades a popular futures contract based on the Standard & Poor's 500-stock index.

Regulators expect the broader limits to be approved in late January or early February. Edward Kwalwasser, group executive vice president for regulation at the New York Stock Exchange, acknowledged that companies whose shares trade on the Big Board as well as the exchange's investor committee believed that the 250-point trigger should be maintained. "But the SEC put forth the imperative that some changes be made," he said.

Brokerage firms that are members of the exchange had mixed views.

Mr. Kwalwasser said the exchange had considered proposing a third trading halt if the market were to spiral downward by 750 points but decided against it.

Representative Edward Markey, Democrat of Massachusetts and the ranking minority member on the House of Representatives' subcommittee on telecommunications and finance, wrote on Dec. 16 to Arthur Levitt Jr., chairman of the Securities and Exchange Commission, to complain about the proposed changes.

"Given the stock market's current historically high levels, I continue to be concerned that any changes made to the circuit-breakers could contribute to a much higher level of market volatility," he said.

RESERVE BANK OF INDIA

GLOBAL TENDER NOTICE

Sealed tenders are invited for the printing and supply of **2000 million pieces of Rs.100/- denomination and 1600 million pieces of Rs.500/- denomination printed finished Indian banknotes.** The entire supplies are to be executed within 12 months of placement of order/s. Only well established banknote printers of international repute who possess necessary infrastructure and production capacity to execute the work within the above time frame need apply.

Tender forms can be obtained from the Chief General Manager, Reserve Bank of India, Department of Currency Management, Central Office, Mumbai 400001 between 11.00 a.m. to 3.00 p.m. on any working day from 1st to 15th January 1997 on payment of Rs.20,000/- by bank draft payable to Reserve Bank of India, Mumbai drawn on any scheduled commercial bank in Mumbai, India.

Duly authorised Agents / representatives in India of foreign principals may purchase tender documents on behalf of their principals on production of letter of authorisation from their principals.

Tender in duplicate shall be submitted in sealed covers superscribed "Tender for supply of Indian Banknotes" and addressed to Mr. K. D. Savkur, Chief General Manager, Department of Currency Management, **Reserve Bank of India**, Central Office, Central Office Building, 21st floor, Shahid Bhagat Singh Road, Mumbai 400001, INDIA, by name so as to reach him before 11.30 a.m. IST on **31st January 1997.**

The Bank reserves the right to reject any or all the offers without assigning any reason.

RATAN BATRA/RBI-DCM/9611

CURRENCY RATES

Dec. 27

Cross Rates

	$	£	DM	F.F.	Lire	S.Fr.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7455	2.8546	1.1226	0.3308	0.7142	—	5.449	1.2347	1.5114	1.2555	1.3305
Brussels	32.0925	54.8825	20.635	6.1085	2.0954	18.3925	—	22.7775	0.278	23.085	24.46
Frankfurt	1.5925	2.6215	—	0.2944	0.1009	0.891	4.8529	1.2539	1.25	1.141	1.1405
London (c)	1.5916	—	2.6208	0.8729	0.2987	1.5953	2.9534	54.1989	2.2878	195.3625	2.2932
Madrid	131.229	220.519	84.256	24.918	8.572	75.07	4.8891	97.228	172.007	96.117	—
Milan	1,530.85	2,570.96	982.89	291.72	—	875.72	57.701	1,134.22	13.362	1,121.26	11.468
New York (b)	—	1.6078	1.1545	0.3425	0.1178	1.0285	6.7837	1.3092	1.4398	1.2975	1.3205
Paris	5.253	8.859	3.3727	—	0.3433	3.005	19.837	3.892	4.4308	3.8975	4.004
Tokyo	115.25	193.53	74.05	21.84	7.255	65.89	3.5971	85.69	—	84.46	0.9896
Toronto	1.3678	2.3077	0.8824	0.2603	0.0897	0.7826	5.0496	1.0134	1.1855	—	1.0547
Zurich	1.3485	2.2653	0.8824	0.2514	0.0881	0.7715	4.2981	—	1.1627	0.985	1.0296
1 ECU	1.3484	0.742	1.9446	0.5387	1,671.35	2.1826	48.8888	1.6823	143.221	1.2047	143.811
1 SDR	1.4056	0.853	1.2316	7.5604	2,197.73	2.5856	45.9531	1.1908	165.097	1.04	166.355

Closings in Amsterdam, London, Milan, New York, Paris, Toronto, and Zurich. Rates in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	247.44	Mex. peso	7.846	S. Afr. rand	4.48
Australian $	1.2563	Hong Kong $	7.7372	N. Zealand $	1.4168	S. Kor. won	842.60
Austrian sch.	10.955	Hung. forint	144.74	Norw. krone	6.4595	Saud. Arab.	3.8705
Brazil real	1.0286	Indian rupee	35.838	Phil. peso	26.29	Taiwan $	27.59
Chinese yuan	8.3277	Indo. rupiah	2361.53	Polish zloty	3.86	Thai baht	25.02
Czech koruna	27.35	Irish £	0.6837	Port. escudo	166.66	Turkish lira	104930.
Danish krone	5.957	Israeli shek.	3.2695	Russ. ruble	5550.0	UAE dirham	3.6705
Egypt. pound	3.392	Kuw. dinar	0.2999	Saudi riyal	3.7505	Venez. bolív.	474.25
Fin. markka	4.6495	Malay. ring.	2.5284	Sing. $	1.3997		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5847	1.5834	1.5822	Japanese yen	114.84	114.66	114.49
Canadian dollar	1.3696	1.3680	1.3656	Swiss franc	1.3454	1.3417	1.3383
Deutsche mark	1.5539	1.5512	1.5484				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Gold Fever Breaking Out in Indonesia

Reuters

JAKARTA — The glitter of gold in Indonesia has caught the eye of international mining companies, setting off a gold rush that mining officials expect will make the country one of the world's biggest producers.

"We are very clearly in the middle of a second gold rush in Indonesia," said Paul Murphy, executive vice-president of PT Freeport Indonesia, the giant copper and gold producer in the jungles of Irian Jaya.

The first gold rush took place in the early 1980s and involved mainly Australian companies. But only a couple out of approximately 100 explorers reached the production stage.

Now, there are five foreign companies, one state-owned company and four domestic companies exploiting gold deposits.

"Indonesia really has tremendous potential," said Lou Clinton, chairman of Omax Resources Ltd., which has five projects under way in the country. "It's a great mining frontier that is just beginning."

This time it is Canadian exploration companies that are in the forefront of the latest rush, which was sparked by one of the world's largest single gold finds by Bre-X Minerals Ltd., a small Alberta-based company, in the Busang area of East Kalimantan province.

Bre-X estimates there are at least 57 million ounces of gold in the Busang field on the island of Borneo, an amount that would be worth more than $21 billion at current prices.

But a dispute over ownership and development of the property has tarnished some of the glitter and caused apprehension in the mining industry over business deals in Indonesia.

The Mines and Energy Ministry asked Bre-X to cooperate with another Canadian gold company, Barrick Gold Corp., in a plan in which they would divide the venture between them, with a stake also going to the government.

The final details and approval have still to be announced.

Mining industry officials said such government involvement was unprecedented and could make miners wary of doing business in Indonesia.

But mining executives and analysts say they hope that the Bre-X saga is an isolated case.

"It's an anomaly, a one-off, rather than the average," said Laurie Fitzgerald, an analyst with the Perth-based brokerage Hartley-Poynton Ltd.

Umar Said, secretary-general of the Mines and Energy Ministry, said that mining policy was consistent and that the Bre-X case had been an exception.

Official data show that Indonesian gold production soared to over 63 tons in 1995 from 15.9 tons in 1991. The figure had totaled 36.5 tons for the first half of 1996.

"Indonesian gold production statistics are still increasing and the exploration results are encouraging," said Kuntoro Mangusubroto, director-general of mining. "It is strongly believed that in the next decade Indonesia will be in fifth position among world gold producers."

He estimated that gold reserves amounted to 3,500 tons, excluding the huge Busang find.

Industry analysts said that historically about 75 percent of new finds were made by small companies that then sold rights to large companies or teamed up with them to take advantage of their cash and expertise.

CAPITAL MARKETS ON MONDAY

Perelman Flies Into Battle to Retain Control of Marvel Comics

By Floyd Norris
New York Times Service

NEW YORK — Ronald Perelman's strategy to retain control of Marvel Entertainment Group Inc. is, in financial terms, as intricate as anything ever confronted by the superheroes of Marvel's comic books.

Marvel, the company that brought Spider Man and the Incredible Hulk into millions of homes around the world, filed for protection in bankruptcy court Friday, a victim of overexpansion and of a bitter fight between two Wall Street takeover titans.

Marvel, a comic-book publisher that in recent years expanded into sports trading cards just before the markets for both cards and comics began to shrink, said the filing was necessary for a proposed $525 million plan to bring the company back to financial health.

Neither the continued publication of its comic books nor the distribution of its trading cards, which are sold under the Fleer and Skybox labels, appeared to be in question. The company said it had arranged financing to stay in business while its reorganization proceeded.

Marvel is controlled by Mr. Perelman, a financier whose other interests include Revlon Inc., the cosmetics company that he acquired a decade ago after a long, fierce battle. Although Mr. Perelman owns 80 percent of Marvel's stock, all those shares are pledged to support loans he took out by issuing junk bonds. Those loans almost certainly will never be repaid. Mr. Perelman appears to want to make sure that no one else can take control while keeping the junk-bond holders at bay.

Arrayed against Mr. Perelman are the holders of the bonds. The most prominent among them is Carl Icahn, another financier, who formerly owned Trans World Airlines Inc. and is waging a proxy fight for control of RJR-Nabisco Inc.

He is believed to own about 25 percent of the $575 million in bonds outstanding, all bought at a deep discount from face value. Mr. Icahn has said he would like to rescue Marvel on terms that would give more value to shareholders and bondholders, but Marvel does not appear to be open to any such proposal.

Mr. Icahn called Mr. Perelman's tactics "unconscionable" and vowed to fight them in bankruptcy court.

"It is patently clear that Ron Perelman has adopted this course to realize a windfall profit for himself at the expense of those to whom he owes a fiduciary responsibility," he said.

Mr. Perelman declined to speak to investors, but a spokesman, who asked not to be quoted by name, fired back, calling Mr. Icahn's statement "slightly disingenuous and patently ridiculous" and intended to allow him to get more for his bonds.

He said Mr. Perelman's plan called for Marvel's employees and trade creditors to be paid in full and contrasted that with losses taken in connection with the bankruptcy at TWA when Mr. Icahn was in charge.

Just how the battle will play out is unclear, but it is clear that the big losers are investors in junk-bond mutual funds, which lent money to a Perelman company that owns the shares. The bonds they bought have plunged in price and have mostly been sold at big losses in recent weeks, after Marvel said a bankruptcy filing was a possibility.

The other big losers are public shareholders. Marvel's shares traded as high as $35.75 in 1993 but have since plunged. They did not open for trading on the New York Stock Exchange on Friday but had skidded well before the announcement, closing at $2.375 Thursday.

Mr. Perelman has seen his own shares plunge as well, but he does not stand to lose any of his investment. That is because he has taken cash out of Marvel in a variety of ways, most notably by selling the bonds.

All told, he has taken about $50 million more out of the company than he has put in. When all is said and done, he evidently plans to turn over his shares to the bondholders.

But before that, he plans to buy new shares in Marvel in a complicated transaction. On Friday, Mr. Perelman announced an agreement for one of his companies to buy all the publicly held shares of Toy Biz, a company that holds the licenses to produce toys based on Marvel's characters. Marvel already owns a stake in the company. Public shareholders are to be paid $22.50 for each Toy Biz share. Those shares rose $1.25, to $19.25, in trading Friday after the deal was announced.

Mr. Perelman's plan is to contribute Toy Biz shares to Marvel, which would then have access to the earnings and cash flow of that company.

In return, he would get new shares, valued at about 85 cents each, that would let him keep control of Marvel.

Marvel's financial troubles can be traced to its decisions to buy first the Fleer and later the Skybox trading-card companies. Trading cards, like comic books, were booming on the strength of adult speculators, who were buying up new issues in hopes they would rise in value as some old ones had.

When those speculators pulled out, Marvel was in trouble. At the same time, some of the professional sports leagues ran into labor problems that dimmed the appeal of sports cards for young fans.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Dec. 27. Prices supplied by Telekurs.

Australian Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
236	Australia	9	09/15/04	111.9250	8.0400

Belgian Franc

Rnk	Name	Cpn	Maturity	Price	Yield
149	Belgium	9	03/28/03	119.6300	7.5200

British Pound

Rnk	Name	Cpn	Maturity	Price	Yield
72	Nat West Bank	8⅛	12/29/11	99.0000	8.2071
87	Leek Fin Cl A2	6.5775	12/19/37	99.7500	6.5900
108	Rose f Sec Ern		11/28/01	100.0938	-
141	Bayer LB z.	7⅜	12/28/01	99.5950	7.4050
144	Britain Treasury	7	11/06/01	98.9688	7.0700
148	Merrill Lynch &	7⅛	05/26/98	100.0000	7.1300
172	Leek Fin Cl A1	6.5075	12/19/37	99.8900	6.5100
176	Bayer Vereinsbk	7½	12/31/02	99.1500	7.5600
214	Halifax BS	8¾	07/10/06	103.2500	8.4700
226	Britain Treasury	8	12/07/00	102.7946	7.7800
230	IFC	6.3000	07/08/99	100.7664	6.2500
241	Tokai Bank Ldn	6⅛	02/03/97	98.9380	6.1300

Canadian Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
245	Canada	8	06/01/23	111.45	7.1800

Danish Krone

Rnk	Name	Cpn	Maturity	Price	Yield
10	Denmark	8	03/15/06	106.1332	7.5400
21	Denmark	9	11/15/98	108.7900	8.2700
25	Denmark	9	11/15/00	113.70	7.9200
39	Denmark	8	11/15/01	107.2062	7.4600
47	Denmark	8	05/15/03	107.0361	7.4700
54	Denmark	7	12/15/04	104.1000	6.7200
61	Denmark	7	11/10/24	94.0500	7.4400
67	Denmark	7	11/15/07	98.5246	7.1000
68	Denmark	7	02/15/98	103.8000	6.7400
111	Denmark	7	08/15/97	102.0400	6.8600
136	Denmark	6	12/10/99	103.7500	5.7800
140	Denmark Tbills	zero	07/01/97	98.2274	3.5000
152	Denmark	6	11/15/02	101.2500	5.9300
177	Denmark	6	02/15/99	103.6300	5.7900
206	Denmark T-bills	zero	04/01/97	99.1034	3.3800

Deutsche Mark

Rnk	Name	Cpn	Maturity	Price	Yield
1	Germany	6¼	04/26/06	103.1086	6.0600
2	Germany	8¼	09/20/01	114.2580	7.2200
3	Germany	6	01/05/06	101.4317	5.9200
4	Germany	8¾	08/20/01	116.1920	7.5300
5	Germany	5	05/21/01	101.8932	4.9100
6	Germany	6	02/16/06	101.4250	5.9200
7	Germany	5¼	02/21/01	102.6799	5.1100
8	Germany	6½	10/14/05	104.8417	6.2000
11	Germany	8	01/21/02	113.6472	7.0400
12	Germany	3½	12/18/98	99.9150	3.5000
13	Germany	5⅛	11/21/00	105.3259	4.8700
14	Germany	6⅞	05/12/05	107.5100	6.3900
15	Germany	7⅜	01/03/05	110.7975	6.6600
16	Treuhand	7½	09/09/04	111.5613	6.7200
18	Germany	8⅛	05/21/01	114.3980	7.3200
19	Germany	5	08/20/01	101.8881	4.9100
22	Germany	5¾	08/22/00	104.5838	5.5000
23	Treuhand	6⅝	07/09/03	106.6830	6.2100
24	Germany	3½	09/18/98	100.0425	3.5000
26	Germany	8	07/22/02	114.0725	7.0100
27	Germany	6¼	01/04/24	94.5521	6.6100
30	Treuhand	6⅞	06/11/03	108.0930	6.3600
31	Germany	7	12/22/97	103.5700	6.7600
32	Germany	8½	02/20/01	114.4700	7.4300
34	Germany	7½	11/11/04	111.5825	6.7200
35	Germany	6½	07/15/03	106.1480	6.1200
36	Germany	8⅝	12/20/00	115.6175	7.6800
37	Treuhand	7⅛	01/29/03	109.5700	6.5000
38	Germany	8¼	07/21/97	102.8160	8.0200
40	Treuhand	6⅛	07/01/99	106.0225	6.0100
41	Treuhand	7¼	10/01/02	112.6425	6.8800
42	Treuhand	7⅜	12/02/02	110.8900	6.6500
44	Treuhand	6½	04/23/03	106.2020	6.1200
45	Treuhand	6¾	05/13/04	107.1240	6.3000
46	Germany	8¾	07/20/00	114.2400	7.6600
50	Germany	5⅝	05/15/00	105.0700	5.5900
51	Germany	9	10/20/00	115.6675	7.7800
53	Germany	6¾	07/15/04	107.1513	6.3000
55	Germany	6	09/15/03	103.6760	5.7900
56	Treuhand	5⅝	09/24/98	103.5838	5.4300
58	Germany	6¼	04/22/03	107.5640	6.2800
60	Germany	6⅞	12/02/98	106.1100	6.4800
62	Germany	6½	03/15/00	106.9989	6.0700
64	Germany	7⅛	12/20/02	109.7167	6.4900
65	Germany	7½	10/20/97	103.3600	7.2600
69	Germany	8	09/22/97	103.3900	7.7400
70	Germany	8⅛	01/20/97	100.3700	8.3400
75	Germany	6¼	09/15/99	107.3600	6.2900
79	Germany	7¼	10/20/97	103.1800	7.0300
80	Germany	6⅛	01/20/98	103.4200	6.4100
82	Germany	7¼	10/21/02	110.3000	6.5700
83	Germany	5¼	11/20/97	101.7450	5.1600
84	Treuhand	6¼	03/04/04	104.2090	6.0000
85	Germany	6	06/20/16	94.5633	6.3400
86	Treuhand	5	12/17/98	102.7300	4.8700
88	Germany	5¾	08/20/98	103.6375	5.5500
90	Germany	7	01/13/00	108.2825	6.4600
94	Treuhand	6¼	07/29/99	105.8725	5.9000
95	Treuhand	6	11/12/03	103.1820	5.8100
99	Germany	6⅞	02/24/99	106.5900	6.4500
100	Treuhand	5¾	04/29/99	104.5313	5.5000
103	Germany Tbills	zero	04/18/97	99.1100	2.8500
106	Germany	6⅛	05/20/99	105.4900	5.8100
110	Germany	6⅝	05/20/98	104.0400	6.1300
114	Germany	6	02/20/98	102.9700	5.8300
119	Germany	5¼	10/20/98	103.1288	5.0900
122	Germany	9	01/22/01	116.2440	7.7400
123	Germany	5¼	02/25/98	102.1800	5.1400
124	Treuhand	7	11/25/99	108.2063	6.4700
130	Germany	5⅜	02/22/99	103.7275	5.1800
138	Treuhand	5	01/14/99	102.7525	4.8700
139	Ba Credit Card	6	11/15/05	103.1133	5.8200
142	IADB	4¾	12/20/01	100.0600	4.7500
151	Treuhand	6½	06/25/98	103.8867	5.9000
154	Cap CredCrd 96a	5⅜	08/15/01	102.7838	5.4700
164	Argentina	8½	02/23/05	99.2500	8.5600
180	Germany	6¾	08/14/98	104.5633	6.1000
181	Germany	6¼	02/20/98	103.2800	6.0500
182	Dsl Fin	5	02/20/02	99.8350	5.0100
185	Germany	6⅜	05/20/97	101.1933	6.3000
187	Germany	8½	08/21/00	113.5400	7.4900
189	Treuhand	6⅛	03/26/98	103.3500	5.9300
191	Germany	2.9953	09/30/04	99.1000	3.0200
192	Germany	8	03/20/97	101.0700	7.9200
195	Germany	8¾	05/22/00	113.9700	7.6800
199	Germany Tbills	zero	01/17/97	99.8400	2.3700
208	Germany	6½	05/20/98	104.2000	6.2400
209	Germany	5¾	05/28/99	104.5500	5.5000
210	Germany	7¾	02/21/00	110.45	7.0200
211	Denmark	5	10/16/01	102.0000	4.9000
242	World Bank	7⅛	04/12/05	108.3800	6.5700
244	Bayer LB zent	6¾	08/03/05	105.2700	6.4100

Dutch Guilder

Rnk	Name	Cpn	Maturity	Price	Yield
28	Netherlands	6¼	07/15/98	104.1500	6.0000
57	Netherlands	6	01/15/06	102.1500	5.8700
78	Netherlands	6¾	11/15/05	107.2500	6.2900
91	Netherlands	8½	06/01/06	119.7543	7.1000
92	Netherlands	7	06/15/05	109.0000	6.4200
97	Netherlands	9	01/15/01	116.3000	7.7400
101	Netherlands	7	03/15/99	107.0267	6.5400
102	Netherlands	5¾	09/15/02	103.5800	5.5500
104	Netherlands	7½	01/15/23	112.5914	6.6600
113	Netherlands	7½	04/15/10	113.1500	6.6300
115	Netherlands	8¾	09/15/01	116.8171	7.4900
128	Netherlands	8¼	02/15/02	115.2371	7.1600
135	Netherlands	5¾	01/15/04	102.1200	5.6300
147	Netherlands	7¼	10/01/04	110.8500	6.5400
156	Netherlands	6½	04/15/03	107.0000	6.0700
157	Netherlands	8¼	02/15/00	111.9771	7.3700
162	Netherlands	7½	11/15/99	109.5680	6.8500
167	Netherlands	9	05/15/00	114.8871	7.8300
175	Netherlands	8¼	06/15/02	115.6657	7.1300
183	Netherlands	6½	07/15/98	104.5757	6.2200
184	Netherlands	7¾	03/01/05	113.90	6.8000
188	Netherlands	7	02/15/03	109.7586	6.3800
190	Netherlands	8¾	02/15/07	118.4086	6.9700
197	Netherlands	8¾	05/01/00	113.9143	7.6800
202	Neth Tbills	zero	03/27/97	98.6554	5.5800
207	Netherlands	7	05/15/99	107.3600	6.5200
250	Netherlands	7½	06/15/99	108.6420	6.9000

ECU

Rnk	Name	Cpn	Maturity	Price	Yield
89	France OAT	7	04/25/06	106.1000	6.6000
96	France BTAN	7¼	03/16/98	103.6300	7.0000
105	France OAT	7½	04/25/05	109.9900	6.8200
134	Italy	9¼	03/07/11	119.2226	7.7600
150	UK T-note	5	01/26/99	101.4500	4.9300
159	France B.T.A.N.	6	03/16/01	104.3400	5.7500
169	France OAT	6¾	04/25/02	106.1200	6.3600
171	France OAT	6	04/25/04	101.4000	5.9200
186	Britain	9⅛	02/21/01	111.8299	8.1600
234	UK T-note	8	01/27/98	104.0100	7.6900
247	Caisse CDE	4⅛	02/26/06	99.6900	4.0800

French Franc

Rnk	Name	Cpn	Maturity	Price	Yield
73	France OAT	5½	04/25/04	100.9500	5.4500
198	France OAT	6	10/25/25	90.3400	6.6400
217	France OAT	6¾	10/25/03	108.8200	6.2000
223	France OAT	8½	04/25/23	122.2300	6.9500
229	France B.T.A.N.	5¾	03/12/01	105.0200	5.4800
238	France OAT	7¼	04/25/06	111.0800	6.5300

Japanese Yen

Rnk	Name	Cpn	Maturity	Price	Yield
74	Japan Dev Bk	2⅞	12/20/06	102.1250	2.8200
77	Spain	3.1000	09/20/06	104.0000	2.9800

Portuguese Escudo

Rnk	Name	Cpn	Maturity	Price	Yield
93	Bco Invest Imob		06/27/11	112.45	

Spanish Peseta

Rnk	Name	Cpn	Maturity	Price	Yield
112	Spain	8.40	04/30/01	108.50	7.74
125	Spain	8.80	04/30/06	112.02	7.86
145	Spain	8	05/30/04	107.21	7.46
173	Spain	9.40	04/30/99	107.50	8.74
212	Spain	10.10	02/28/01	114.22	8.84
237	Spain	11.30	01/15/02	120.93	9.34

Swedish Krona

Rnk	Name	Cpn	Maturity	Price	Yield
118	Sweden	11	01/21/99	112.2990	9.8000
168	Sweden	13	06/15/01	128.6550	10.1000
194	Sweden	6½	10/25/06	98.3540	6.6100
196	Sweden 1037	8	08/15/07	109.0450	7.3400
227	Sweden 1036	10¼	05/05/00	115.3070	8.8900

U.S. Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
9	Brazil Cap S.L	4½	04/15/14	78.4400	5.7400
17	Argentina FRNL	6⅝	03/29/05	84.5538	7.8400
20	Argentina par L	5¼	03/31/23	63.3800	8.2800
29	Brazil L	6½	04/15/06	87.5000	7.4300
33	Brazil S.Z.I	6½	04/15/24	76.9634	8.4500
43	Venez S. DI Sn	6½	12/18/07	87.3381	7.4423
48	Venezuela par A	6¾	03/31/20	76.1200	8.8700
49	Brazil par Zl	5	04/15/24	63.1191	7.9200
52	Brazil 910.0	6 9/16	01/01/01	96.8100	6.9100
59	Brazil S.L	6⅝	04/15/12	76.0000	8.6300
63	Mexico	11½	05/15/26	105.4300	10.9100
66	Bulgaria	6 13/16	07/28/11	51.3056	13.0300
71	Mexico par A	6¼	12/31/19	73.2500	8.5300
76	Mexico par B	6¼	12/31/19	74.4896	8.3900
81	Ecuador	3	02/28/15	62.3225	4.8100
98	Ecuador par	3¼	02/28/25	46.0000	7.0700
107	Bulgaria	6 11/16	07/28/24	56.3950	11.8600
109	RasLaff NatGas	8.2940	09/15/13	101.6000	8.1600
116	Brazil Cbond S.L	4½	04/15/14	73.3500	6.1300
117	Argentina	11	10/09/06	104.0000	10.5800
120	Mexico	7⅝	08/06/01	100.2100	7.5500
121	EIB	zero	11/06/26	13.8000	6.8500
126	Argent Bonex 89	5.7734	12/28/99	36.2183	15.9407
127	Mydfa Trust	6 9/16	09/15/07	87.6000	7.6341
129	Argentina	5⅜	04/01/01	123.1000	4.3664
131	Ontario	6⅛	06/28/00	99.8750	6.1300
132	Brazil S.L	6⅝	04/15/09	81.7500	8.0300
133	Mexico A	6.4531	12/31/19	86.5001	7.4600
137	Bulgaria	2¼	07/28/12	37.9589	5.9300
143	Mexico	11⅜	09/15/16	104.2054	10.9200
146	Kazakstan	9¼	12/20/99	100.3000	9.2200
153	Ontario	7⅝	01/27/03	104.3850	7.0700
155	Mexico C	6⅛	12/31/19	86.2594	7.3900
158	World Bank	5.6800	09/27/99	98.9801	5.7400
160	Argentina L	6⅜	03/31/23	76.7500	8.3100
161	Sweden	zero	11/25/97	95.0333	5.6900
163	Bayer LB zent	6½	11/19/01	100.6500	6.4600
165	Mexico D	6.3516	12/28/19	86.1265	7.3700
166	Ministry Russ	9¼	11/27/01	97.1541	9.5200
170	Credit Lyonnais	6⅝	12/31/99	97.8800	6.7700
174	Brazil S.L	6⅝	04/15/12	75.6810	8.6700
178	Venezuela par B	6¾	03/31/20	76.3238	8.8400
179	Argentina	8⅜	12/20/03	92.0000	9.1000
193	Bk Am Australia	zero	03/04/97	98.9600	5.5200
200	Ecuador	6½	02/28/25	69.0120	9.4200
201	Panama pdi	4	07/17/16	76.8000	5.2100
203	Canada	6½	05/30/01	101.1400	6.4300
204	Arg glob Regd	6⅝	03/29/05	84.8872	7.8000
205	Fed Rep Brazil	8⅞	11/05/01	99.1250	8.9500
213	Brazil	6	09/15/13	72.1300	8.3200
215	Sallie Mae	4½	08/02/99	102.2845	4.4000
216	Boan	4½	12/15/01	99.7500	4.5113
218	Canada	6½	05/30/00	101.5475	6.4000
219	Vodoh Vyst Pod	7¼	12/19/06	98.5000	7.3600
220	Argentina	10.950	11/01/99	105.8800	10.3400
221	Canada	6¾	08/28/06	101.0200	6.6800
222	EIB	7⅛	09/18/06	104.1100	6.8400
224	Venezuela S.A	6⅝	03/18/07	90.6200	7.3107
225	BNP	5.8438	12/23/06	99.5163	5.8700
228	Stand Chart Bk	5.9820	12/20/06	99.6300	6.0042
231	Mexico B	6⅞	12/31/19	88.1637	7.2300
232	Poland	6½	10/27/24	97.1247	6.6900
233	Italy	9⅝	03/01/99	106.2779	9.0600
235	Pac Investment	zero	12/20/99	99.7000	0.1000
239	Nigeria	6¼	11/15/20	67.0208	9.3300
240	Bank Melbourne	5½	11/21/97	99.9200	5.5000
243	Sweden	5⅝	02/08/01	99.9850	5.3800
246	Poland	4	10/27/14	84.1389	4.7500
248	Sanwa Bk Ldn	5.7800	01/24/97	99.4008	5.8100
249	Bolmitsubishi	5.7600	01/24/97	99.3992	5.7900

Beirut Bourse Plans to Open Its Doors to Foreign Firms

Reuters

BEIRUT — A year after it reopened, the Beirut Stock Exchange plans to extend its comeback in 1997 by opening up to foreign investors and listing new securities.

Fouad Baalbaki, the chief of the trading floor, said the exchange would diversify and increase traded securities, open the domestic financial market to non-Lebanese investors and introduce a trading method for continuous pricing in 1997.

"The year 1997 will mark our move to trade in corporations," he said. "It will also witness the realization of plans made the previous year to add to the liquidity of the market and make it accessible to non-Lebanese investors.

"We have achieved the first step with the listing of a bank and are looking for further trade in shares of other sectors."

Mr. Baalbaki was referring to the listing of shares in Banque Libanaise pour le Commerce, recently authorized by the exchange for trading Monday, the last trading day of the year.

Banque Libanaise decided this month to offer 1.2 million so-called C shares on the Beirut Stock Exchange. More than 3 million B shares underlying global depository receipts issued by the bank will also be listed for later trading.

This will add at least $50 million of stocks to the shares listed on the Beirut bourse. The capitalization of the market is currently calculated at a little over $2 billion.

"This significant transaction, which provided the BLC with both domestic and international presence, will serve as a reference for all banks wishing to list on the market," Ziad Makkawi of Middle East Capital Group, based in Beirut, said.

Plans designed in 1996 to enlarge Beirut's bourse and open it up to regional markets will bear fruit in 1997 and give a much-needed boost to the Beirut exchange, Mr. Baalbaki said.

A cross-trading agreement among the stock exchanges of Lebanon, Kuwait and Egypt is to go into effect next Monday, after brokers from the three exchanges signed numerous agreements to cross-trade equities.

Bonds Due to End '96 On a Light Updraft

Bloomberg Business News

NEW YORK — Bond prices are expected to climb this week, extending gains from last week amid signs that the U.S. economy is not growing too quickly.

Scheduled reports on housing, manufacturing and consumer confidence may provide more evidence that the economy is growing too slowly to spur inflation. That would buttress the belief that the Federal Reserve Board will not need to raise interest rates soon.

U.S. CREDIT MARKETS

"Going into year-end, the market will continue to be fairly favorable," Paul DeNoon, a funds manager at Alliance Capital Management, said.

The yield on the benchmark 30-year bond ended the week at 6.56 percent, down five basis points, or hundredths of a percentage point, from a week earlier, as the price rose to 99 6/32 from 98 20/32.

Investors who simply bought 30-year bonds at the start of the year and held them would have a loss of 1.1 percent on their investment.

But economic reports due this week could drive yields down to 6.5 percent or lower if, as expected, they reveal more signs of slow growth in the U.S. economy. Bonds posted their biggest gains in a month last week — most of it on Friday — as the dollar continued to climb and a report showed U.S. orders for durable goods fell in November, surprising investors.

Trading was light during the week, which included the Christmas Day holiday Wednesday, and it probably will not pick up much this week, with the New Year's Day holiday in the middle of it.

Bond yields may be stuck between about 6.35 percent and 6.70 percent for the next few weeks, said Steve Guterman, who oversees investment-grade bond funds at Salomon Brothers Asset Management in New York.

"I don't think you can read too much into anything that goes on until a week from Monday," when most investors will be back from the holidays, Mr. DeNoon said.

More Gains Seen for Dollar

Bloomberg Business News

NEW YORK — The dollar may be poised for more gains this week as investors shy away from slumping Japanese stocks in favor of U.S. markets.

The U.S. currency hit a 44-month high of 116.15 yen Friday before closing at 115.30 yen, up almost 1 percent from a week earlier. The dollar also closed at 1.5545 Deutsche marks, little changed from the week before.

With U.S. stocks and bonds rising and Japanese stocks languishing, investors in Japan are likely to keep their appetite for U.S. assets and the dollars needed to buy them, traders said.

"We are bullish on the dollar for the new year," said Sudhir Patel, a currency trader at NationsBank of Texas in Dallas.

"Japan's interest in our bond market will remain strong."

Mr. Patel said he expected the dollar to rise as high as 118 yen and 1.60 DM in January.

Trading was lighter than usual last week because of the Christmas holidays. Those conditions are likely to persist this week, when markets in the United States and elsewhere will be closed part of the week for the New Year's holiday, and the thin trading could result in exaggerated moves.

The dollar's latest rise began Tuesday, when Japan's benchmark Nikkei 225 stock index tumbled to its lowest point since Dec. 19, 1995. The index has lost about 15 percent in the past six months.

"There's a spiral, with weaker stocks causing a weaker yen causing weaker stocks," said Shinya Nambu, manager of currency trading at Bank of Tokyo-Mitsubishi Ltd. "You've also got a lack of confidence about the Japanese economy. The bottom line is a weaker yen and a stronger dollar."

Japan's economy grew only 0.1 percent in the third quarter, after shrinking in the second quarter. Mr. Nambu said the U.S. currency could reach 120 yen next month. The dollar has gained 12 percent against the yen and 8 percent against the mark since the start of the year.

At Risk: Strict Accounting Standards

By Floyd Norris
New York Times Service

NEW YORK — Are U.S. accounting standards, developed at great cost and pain over many decades, about to be rendered irrelevant? Will they be replaced by a far less specific set of rules that will give companies much more freedom to choose whichever accounting practices will make them look better?

Amazingly enough, some people think so. "We have an agreement," said Sir Bryan Carsberg, the secretary-general of the International Accounting Standards Committee.

After his committee completes its standards in 1998, he said, the Securities and Exchange Commission will allow non-U.S. companies to sell securities in the United States if their accounting conforms to international rules, whether or not it meets the generally accepted accounting principles now required in the United States. If that happens, there is little doubt that U.S. companies will think it unfair to force them to comply with more stringent rules.

The expectations began building this spring, when the SEC and other securities regulators reached an agreement with Sir Bryan's group, saying that if the standards were good enough, they would be accepted.

The qualification was largely ignored until the SEC chairman, Arthur Levitt Jr., told an accounting group this month that the international standards must be comprehensive and of high quality and be rigorously interpreted and applied. Their acceptance, he said, "is not a foregone conclusion."

There is, he added, "no doubt in my mind that their acceptability to U.S. investors will depend on how well those standards measure up to our own." He said the Financial Accounting Standards Board would continue to set U.S. rules, which would apply to U.S. companies. A demand for these companies to be allowed to use the international standard instead would be rejected, he seemed to be saying.

In the past, the international standards were notable largely for the wide discretion they gave companies. In effect, they said that if one country allowed an accounting technique, it must be all right. The international rules are being tightened, but in many areas they will still allow more discretion than do U.S. standards. There is something to be said for such discretion, if auditors will enforce the standards rigorously and stand up to companies that want to put out misleading figures. But the evidence that big accounting firms deserve such confidence is, at best, mixed.

Some business groups are angry at the U.S. board and its rules and would welcome more freedom.

U.S. stock markets want more international listings and have been frustrated by the SEC's insistence that non-U.S. companies for the most part must meet U.S. standards before they can trade here. Many non-U.S. companies already have shares listed in America, but others are believed to be waiting and hoping that the weaker international standards will enable them to enter the market without meeting U.S. rules.

This is important for investors because it is accounting that provides the report card on how their companies are doing. If accounting standards are perceived as too lax, investor confidence can be lost.

The Week Ahead: World Economic Calendar, Dec. 30-31, Jan. 1-3

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	Nothing scheduled.	**Bonn:** German industrial production data for November may be published.	**Buenos Aires:** Tax revenue, cost of construction index, trade balance for November and consumer, producer and wholesale prices for December may be released.
Monday Dec. 30	**Manila:** Stock exchange, banks, and most businesses are closed for a holiday.	**Vienna:** Finance Ministry may announce results of a bid for the government's stake in Creditanstalt-Bankverein AG; stock exchange holds year-end news conference.	**Washington:** Conference Board reports November leading indicators; National Association of Realtors releases home resales for November.
Tuesday Dec. 31	Markets closed in Tokyo, Hong Kong, Manila and Singapore for New Year's holiday.	Markets closed in Germany and Denmark. Markets open only from 8:30 A.M. to 12:30 P.M. in London.	**New York:** New York Stock Exchange, American Stock Exchange and Nasdaq stock market observe normal trading hours, but most trading in bonds, futures, commodities and options will be closed in the afternoon.
Wednesday Jan. 1	Markets closed in Tokyo, Hong Kong, Manila and Singapore.	Markets closed in Austria, Belgium, Britain, Denmark, France, Germany, Ireland, Italy, Netherlands, Spain, Sweden, Switzerland and Turkey. **Kiev:** Parliament's deadline for passing the government's draft 1997 budget.	Markets closed in Argentina, Brazil, Canada, Chile, Colombia, Mexico and the United States.
Thursday Jan. 2	**Manila:** Coins issued by the defunct Central Bank of the Philippines cease to be legal tender and can be replaced by six new coins.	**Copenhagen:** November Purchasing Managers Index.	**Arlington, Virginia:** American Gas Association's weekly U.S. natural-gas inventory report. **Washington:** Labor Department reports initial weekly state unemployment compensation insurance claims.
Friday Jan. 3	Nothing scheduled.	**Copenhagen:** Central bank reports on December currency reserves.	**Ottawa:** Statistics Canada reports November price indexes for industrial products and raw materials. **Washington:** Federal Reserve's weekly report on commercial and industrial loans at U.S. commercial banks.

Last Week's Markets

Stock Indexes

	Dec. 27	Dec. 20	% Ch'ge
United States			
DJ Indus.	6,560.91	6,484.40	+1.18
DJ Util.	235.95	234.98	+0.41
DJ Trans.	2,287.49	2,270.47	+0.76
S & P 100	736.64	728.87	+1.07
S & P 500	756.79	748.87	+1.06
S & P Ind	887.99	878.09	+1.13
NYSE Cp	398.10	394.11	+1.01
Nasdaq Cp	1291.38	1,288.54	+0.22
Japan			
Nikkei 225	19,369.04	19,690.46	−1.63
Britain			
FTSE 100	4,091.00	4,077.60	+0.33
Canada			
TSE Indus.	5,902.61	5,869.66	+0.56
France			
CAC 40	2,306.95	2,278.53	+1.25
Germany			
DAX	2,852.88	2,854.45	−0.06
Hong Kong			
Hang Seng	13,404.14	13,131.41	+2.08
World			
MSCIP	820.939	812.96	+0.98

World Index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	Dec. 27	Dec. 20
United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5.00	5 5/16
Japan		
Discount	0.50	0.50
Call money	0.44	0.44
3-month interbank	0.50	0.53
Britain		
Bank base rate	6.00	6.00
Call money	6.00	6.00
3-month interbank	6 7/16	6 7/16
France		
Intervention rate	3.20	3.20
Call money	3¼	3¼
3-month interbank	3 5/16	3 5/16
Germany		
Lombard	4.50	4.50
Call money	3.30	3.02
3-month interbank	3.15	3.25

Gold	Dec. 27	Dec. 20	% Ch'ge
London p.m. fix.$	369.40	369.00	+0.11

Euromarts

Eurobond Yields

	Dec. 27	Dec. 20	Yr high	Yr low
U.S. $, long term	6.47	6.49	7.29	6.17
U.S. $, mdm term	6.03	6.05	6.81	5.61
U.S. $, short term	5.87	5.88	6.48	5.19
Pounds sterling	7.44	7.43	7.88	6.99
French francs	4.98	4.97	6.38	4.91
Italian lire	7.29	7.29	10.45	7.29
Danish kroner	5.65	5.69	6.51	5.65
Swedish kronor	5.50	5.55	8.55	5.50
ECUs, long term	6.16	6.16	7.50	6.03
ECUs, mdm term	5.07	5.04	6.56	4.93
Can. $	5.80	5.83	7.41	5.54
Aus. $	7.21	7.24	9.04	7.09
N.Z. $	7.24	7.27	9.37	7.04
Yen	1.80	1.80	2.78	1.76

Source: Luxembourg stock exchange.

Weekly Sales

Dec. 26

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	146.7	146.7	1,215.9	1,141.3
Convert.	50.9	0.0	101.5	0.9
FRNs	486.5	1,731.4	807.3	37.4
ECP	5,958.0	5,250.8	6,135.7	4,650.7
Total	6,642.1	7,128.9	8,260.4	5,830.3

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	12,196.4	12,895.2	42,113.6	18,423.9
Convert.	540.7	342.1	2,055.2	994.5
FRNs	10,535.9	6,097.4	33,997.2	5,388.8
ECP	7,929.8	11,070.8	11,568.1	17,998.3
Total	31,202.8	29,405.5	89,734.1	42,805.5

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅜	5 9/16	5⅝
Deutsche mark	3⅛	3⅛	3 3/16
Pound sterling	5 15/16	6½	6 9/16
French franc	3 5/16	3 5/16	3 5/16
ECU	4¼	4 3/16	4 3/16
Yen	½	½	½

Sources: Lloyds Bank, Reuters.

SHORT COVER

Italy Readies Revenue Package

ROME (Reuters) — The government has put the finishing touches on a revenue package that forms the last part of the 1997 austerity budget, the cabinet secretary, Enrico Micheli, said over the weekend.

The measures, designed to raise about 4.3 trillion lire ($2.8 billion), are expected to be approved by the cabinet Monday. Parliament approved the 1997 budget Dec. 22, leaving it to Prime Minister Romano Prodi's government to decide how the additional revenue would be raised. The budget is designed to cut next year's projected deficit by 62.5 trillion lire.

Newspapers reported Sunday that the centerpiece of the package was a plan to require companies to accelerate payments of some excise duties, especially in the gasoline production and distribution sectors. This measure is expected to raise 2 trillion lire in 1997.

Union Chief Asks VW to Apologize

HAMBURG (AP) — The head of the German metalworkers union said in an interview published Sunday that Volkswagen AG's chairman, Ferdinand Piech, should apologize to General Motors Corp.

"I would apologize and see to it that this entire legal avalanche is brought to a halt," the IG Metall chairman, Klaus Zwickel, told Bild am Sonntag. Mr. Zwickel also serves as deputy chairman on VW's board.

"If former German Chancellor Willy Brandt could go to Warsaw in 1970 and apologize for Nazi crimes, even though he wasn't personally at fault," Mr. Zwickel said, "why can't Ferdinand Piech conduct himself the same way for a much smaller provocation?"

GM and its German subsidiary, Adam Opel AG, accused VW of industrial espionage in a U.S. lawsuit filed in Detroit. GM says its former purchasing chief, Jose Ignacio Lopez, took confidential files with him when he moved to VW in 1993.

Taiwan-China Trade Keeps Rising

TAIPEI (AFP) — Indirect trade between Taiwan and China totaled $17.8 billion in the first 10 months of this year, a 2.6 percent increase from a year earlier, the Economics Ministry said Sunday.

Taiwan's trade surplus with China grew 5.7 percent, to $12.7 billion, the ministry said. Exports to the mainland rose 3.9 percent, to $15.3 billion, while imports dropped 4.5 percent, to $2.5 billion.

Israelis Are Warned of New Taxes

JERUSALEM (Reuters) — The Bank of Israel said Sunday that a sharp rise in the budget deficit and borrowing over the past two years would force the government to increase taxes.

The country's combined domestic and foreign deficit grew to an average of about 11 billion shekels ($3.4 billion) a year in 1995 and 1996, compared with about 6 billion shekels in 1993 and 1994, the central bank's monetary division said.

Government borrowing grew to about 36 billion shekels annually in 1995 and 1996 from about 27 billion shekels annually in 1993 and 1994.

• **Proton Bhd.**, the Malaysian automaker, which started production in 1985, was scheduled to roll out its millionth vehicle and introduce a 1.8-liter coupe Monday in a ceremony at its Shah Alam factory near Kuala Lumpur.

• **Sri Lanka's** privatization chief, Rajan Asirwatham, has resigned as chairman of the Public Enterprise Reform Committee, as has the agency's director, Aritha Wickremanayake, effective Tuesday, official sources said, amid allegations that the agency had committed Sri Lanka to unfavorable conditions in the sale of Colombo Gas Co. to Royal Dutch/Shell Group.

• **NEC Corp.** will postpone the start of work on a production line in Kumamoto, Japan, for 256-megabit dynamic random-access memory chips for one year, until March 1999, the Nihon Keizai Shimbun reported; the move would delay production of the high-capacity chip until 2000. *Reuters, AFP*

For Airline Profits, It Seems the Sky's the Limit

By Anthony Faiola
Washington Post Service

WASHINGTON — After years of financial hemorrhaging in the 1980s and early 1990s, the U.S. airline industry is expected to post another year of record profits — totaling about $4 billion — for 1996.

"This is the first time since the wooden propeller was invented that airlines have put together four years of back-to-back profitability," said Julius Maldutis, a longtime airline-industry analyst for Salomon Brothers.

Experts see more promise for airline stocks in the first quarter, especially because carriers continued to receive record travel bookings during the holiday season. They are looking for another record year in 1997, with earnings at an estimated $4.4 billion.

The progress in 1996 came as corporate downsizing continued to save major airlines lots of money while increased passenger volume boosted revenue.

But the industry's stock-market performance has not been as consistent. Stock prices rose significantly in the first part of the year, but the industry gave up some gains in the third and fourth quarters. In late December, Standard & Poor's Corp.'s airline-industry index was trailing the broader S&P 500-stock index. The performance in the second half of the year, analysts and others said, reflected the effects of the ValuJet and TWA crashes in May and in July, respectively, and disappointment that jet fuel did not become as cheap as had been predicted.

Other factors playing into the sector's erratic performance over the past few months included uncertainty about the proposed massive marketing alliance between American Airlines and British Airways, as well as rumors of possible mergers and takeovers.

U.S. carriers probably will see a windfall in the first quarter as a result of the expiration at the end of 1996 of a 10 percent federal tax on airline tickets.

The tax, which was generating $4.6 billion annually for the U.S. Treasury, may be reinstated by Congress, but probably not for several months. In the meantime, rather than give passengers a 10 percent discount, carriers — led by Continental Airlines — are raising fares to capture the 10 percent extra for themselves.

Because consumers already were paying the tax, it is unlikely the move will spark a downturn in travel, analysts said.

Analysts also said stocks of major carriers probably would continue to outperform those of smaller regional airlines. They said the "ValuJet syndrome" — a reference to the tumble the discount airline's stock took after the crash in the Florida Everglades — had made many investors shy away from low-cost carriers. Stock in the "new" Pan American Airways, for example, fell to $7.75 after reaching a high of $16.375 soon after its launch Sept. 26.

Analysts' favorites for 1997 include surprises such as Continental, the twice-bankrupt carrier that for years was considered a dog. Its moves to eliminate its failed Continental Lite discount service and add first-class seating capacity are paying off, analysts said.

Analysts are mixed on USAir, which they view, along with Continental, as the airline most likely to be acquired by another major carrier over the next year. Some industry analysts approve of the way Stephen M. Wolf, USAir's chief executive and the former head of United Airlines, is handling the carrier's recovery and say he is likely to win even more labor concessions. But others have doubts about the stock's potential.

U.S. Steel and Aluminum Producers Felt a Squeeze in '96

By Warren Brown
Washington Post Service

WASHINGTON — American metals producers, particularly those in the steel and aluminum industries, will not be shedding any tears over the passing of 1996. For them, the year rang hollow.

The industry was hurt by lower prices, production problems, increased foreign competition and flat demand for new cars and trucks. The inevitable result was a squeeze on profits.

Take the steel industry: The nation's 10 largest steel companies increased sales by 2.4 percent through the third quarter, but their profits dropped like a hot ingot through snow — down 25 percent for the period, to $386.9 million, compared with $514.2 million for the like period in 1995.

But 1997 is looking better, according to a steel-industry survey published last month by Standard & Poor's Corp. Growing demand for durable goods including cars and trucks "should push up demand for steel and raise steel prices in the process" next year, the report said. The S&P forecasters project a slight increase in sales of cars and trucks, to 15.3 million in 1997 from an expected 15.2 million in 1996.

With stronger auto sales, S&P forecasts higher contract prices from automakers, especially for flat-rolled carbon steel, which accounts for 48 percent of the steel industry's shipments.

When demand is soft, steel profits can be eroded by price discounting. That happened this year, when increased competition from countries such as Russia forced down prices and profits.

The "averaged realized price" per ton fell to $489 from $510 in 1995, according to industry surveys by Standard & Poor's Corp., Salomon Brothers Inc. and other Wall Street analysts.

Much of that pricing weakness also stemmed from conditions in the auto industry, where car sales have been flat and automakers have been pressuring their major suppliers to cut costs.

In 1995, in price negotiations with the car companies, the steelmakers agreed to hold down prices or roll back certain increases, according to various Wall Street analysts' reports. Because such fixed contracts account for nearly 60 percent of the average American steel company's shipments, many were unable to take advantage of higher prices as demand picked up in the spot market.

The supply side for steel looks rosier next year, according to S&P. It projects a drop in imports, to 22 million tons from an estimated 23.3 million tons in 1996, and a corresponding rise in domestic shipments, to 100 million tons from an estimated 98.8 million tons.

The aluminum industry also is hoping for a bright year in 1997 — again because of strong demand from automakers.

"As goes the auto industry, so goes aluminum," said David Parker, president of the Aluminum Association Inc., a Washington-based industry group.

For Ordinary Investors, a Few Tips on Hedging Bets

By Jill Dutt
Washington Post Service

NEW YORK — For investors, the new year will begin with a series of question marks. How much longer can the bull market last? Is this the time to sell stocks? How can I protect myself in a volatile market such as this?

The first two questions are unanswerable, of course. Nobody can reliably predict the future of the stock market. But the third question does yield some clear answers. There are specific steps that ordinary investors can take right now to hedge their bets for 1997 — so that they can profit if the stock market continues to defy gravity and protect themselves if the market should take a sudden plunge back to earth.

The simplest way to hedge your bets, say some Wall Street professionals, is to diversify your portfolio so that it is less concentrated on the blue-chip stocks that have risen so high in the recent boom. These analysts argue that a diversified portfolio will lower investors' risk levels without significantly lowering their returns. Among the diversification strategies recommended by analysts are investing in stocks of smaller U.S. companies, investing in foreign stocks and investing in bonds.

Picking the right investment strategy is tricky now because analysts are so widely divided in their predictions about the future. Even when they recommend caution, it's still hard to sell into this extended rally. It is difficult to forget that someone who put, say, his $50,000 pot of retirement savings into the market on Jan. 1, 1994, now has more than $86,000.

Without saving another dime and just letting his investment ride for the next decade, he would be a millionaire — if the market keeps chugging ahead at this rate.

While many Wall Street analysts remain bullish on stocks, none believes the market will repeat next year, let alone the following nine, the 37.58 percent total return of the Standard & Poor's 500-stock index in 1995 or the 25 percent total return of the S&P so far this year.

Barton M. Biggs, Morgan Stanley & Co.'s chief global strategist, is bordering on alarmist. "The market may wipe that smile off our faces," he wrote to clients earlier this month. "Something bad is going to happen. It's just a question of how bad." Mr. Biggs foresees a decline of 20 percent to 30 percent, peak to trough, in U.S. equities over a six-month period in 1997.

With his bold predictions, Mr. Biggs is one of a growing group of bears on Wall Street. Undoubtedly one day they will be correct. But several smart investors who turned bearish months or even years ago are none too happy about having missed the market's lucrative ride.

Skittish investors — equally afraid of getting creamed in a rout as they are of missing the next leg of the bull market — can start now to diversify their investments.

A model diversification portfolio is outlined in the T. Rowe Price study done earlier this year. In addition to blue-chip stocks, it includes small company stocks, shares of foreign issuers and short- and intermediate-term U.S. Treasury securities.

Mr. Norwitz and others are quick to add, however, that diversifying won't entirely insulate an investor from a huge drop in U.S. stock prices. "Foreign stock markets are agitated when the U.S. stock market is agitated," according to a study cited by Mr. Norwitz and published this fall in the Financial Analysts Journal. "Volatility is contagious."

Still, diversifying has other benefits. Although the U.S. stock market churned out superior returns the past two years, over the long haul it is likely that bonds, too, will have their day in the sun and international stock markets will enjoy their own booms.

MANAGE: Next 'Big Ideas'

Continued from Page 11

the implications of this insight are broad and profound.

It means shunning a company such as Travelers Group Inc., which aims to provide all manner of financial services to a broad range of customers, in favor of a company such as Chubb Corp., which focuses on providing casualty and property insurance to wealthy individuals and large corporations.

It also means viewing skeptically the merger mania in the communications business — and the underlying rationale that in the future, books, magazines, movies, cable, broadcasting, telephone service and Internet access will all come from a single source that will be able to "cross-market" content from one distribution system to another.

• Intellectual Capital

At the height of the industrial era, investors were taught the importance of always looking at a company's balance sheet before buying its stock, comparing the market value of the stock to the value of its "hard" assets — such as buildings, machinery and inventories of raw materials and finished goods.

But these days, as the Fortune magazine writer Thomas Stewart said, balance sheets are more noteworthy for the assets they do not include.

Mr. Stewart gives the example of two companies, Microsoft Corp. and International Business Machines Corp. In 1996, he figured, every $100 invested in IBM bought $23 in fixed assets. By contrast, the same $100 invested in Microsoft bought about $1 in hard assets. Clearly, investors are valuing something at Microsoft that is not captured by conventional accounting techniques.

That "something" is a somewhat amorphous asset that Mr. Stewart calls intellectual capital. One attractive strategy for investors is to put their money in companies that are adept at creating, retaining, leveraging and preserving their intellectual assets.

One quick way to tell the real McCoy is to find out how much a company spends on education for its employees. Mr. Stewart cites a study by the National Center on the Educational Quality of the Workforce at the University of Pennsylvania, which found that a dollar invested by a company in employee education was more than twice as effective in raising the company's productivity as a dollar invested in new machinery. At a minimum, look for education spending of at least 2 percent of payroll.

Generating human capital is one thing; preventing it from walking out the door is quite another. That is why another good indicator of how well a company manages its intellectual capital is how widely it distributes the fruits of the company's success, through stock options or other forms of incentive pay. A quick rule of thumb: If front-line employees cannot earn bonuses of 10 percent of salary based on company and individual performance, do not invest.

• Falling Interaction Costs

One of the characteristics of the New Economy is that fewer people are involved in the physical processes of making things, fixing things or helping people, while more make a living from interacting with one another by planning strategies, striking deals, solving problems, managing people or analyzing information.

One reason for this shift is that we have become so efficient at producing things that it simply takes fewer people to do it. But another reason is that we are still relatively inefficient in the ways we do all those other tasks.

A smart investor might therefore put his or her money in companies most likely to benefit from a dramatic reduction in interaction costs.

That is the thesis of a new study by McKinsey & Co., the world's leading management consulting firm. McKinsey calculates that in the service sector, 60 percent of all labor costs consist of interaction between people, whereas in mining and heavy manufacturing, for example, the figure is 40 percent.

McKinsey argues that over the next decade, largely because of large decreases in the cost of computing and data transmission, companies will be able to cut these interaction costs by half or more.

Alf Hanna, a McKinsey director who participated in the study, said that to take advantage of this transformation, investors might want to tilt their portfolios toward industries in which interaction costs are the highest — and thus the ripest for trimming. These include education, medicine, financial services, publishing, engineering, law — and management consulting.

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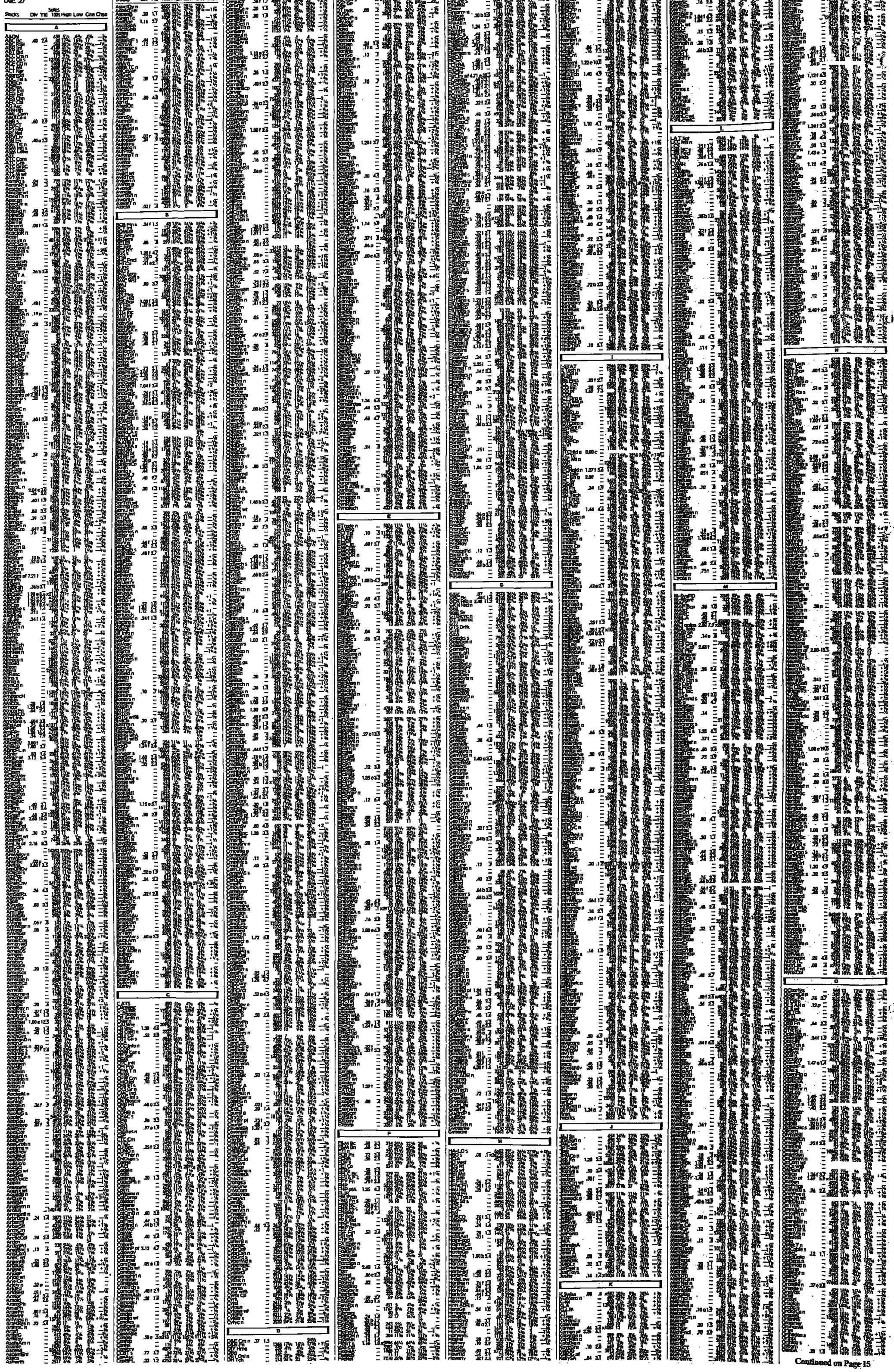
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Dec. 27

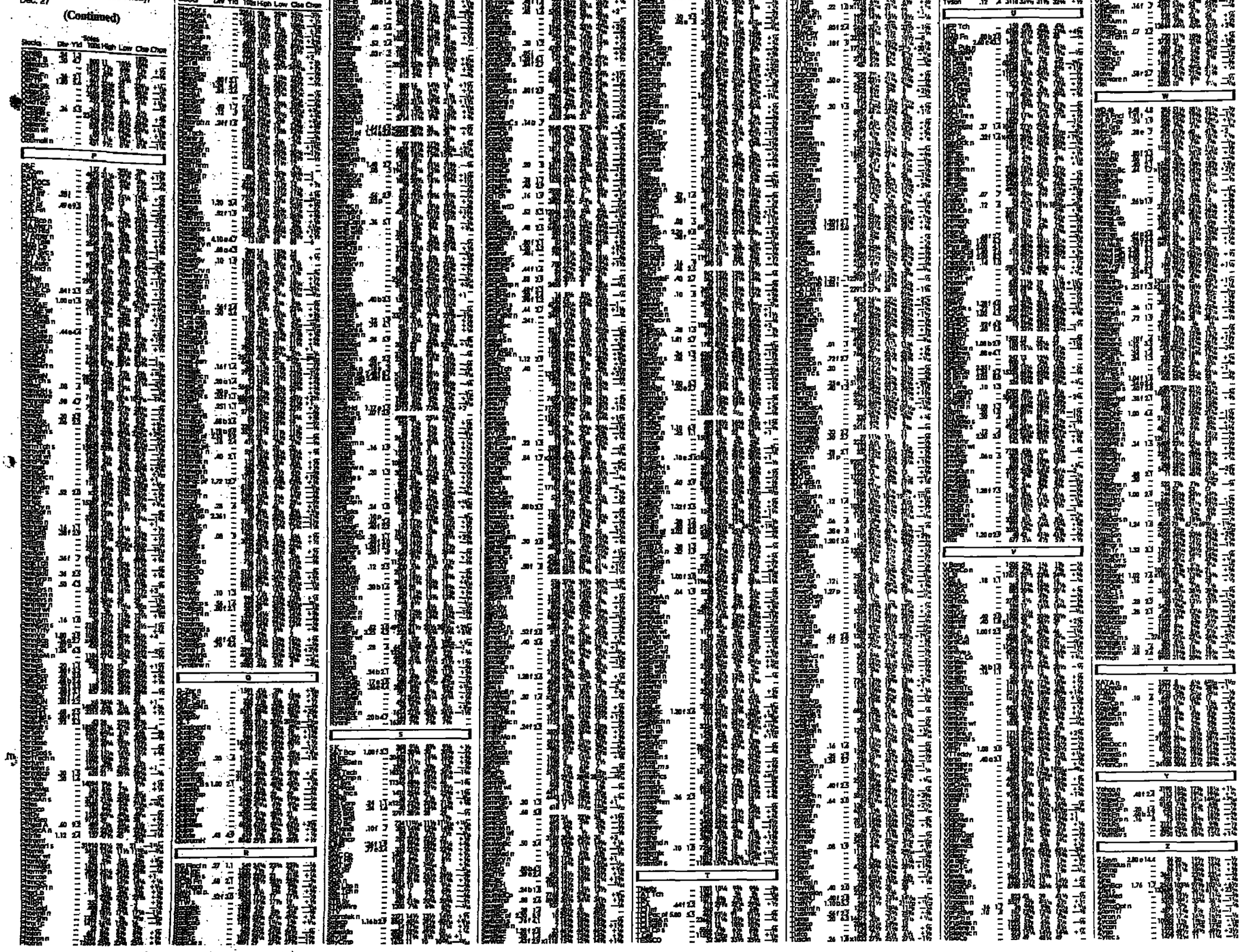


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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Dec. 27

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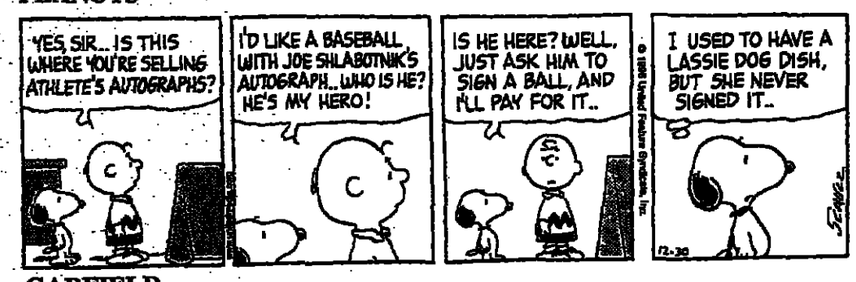


DENNIS THE MENACE



"My Mom calls it a 'winter wonderland', but that's *not* what my Dad calls it."

PEANUTS



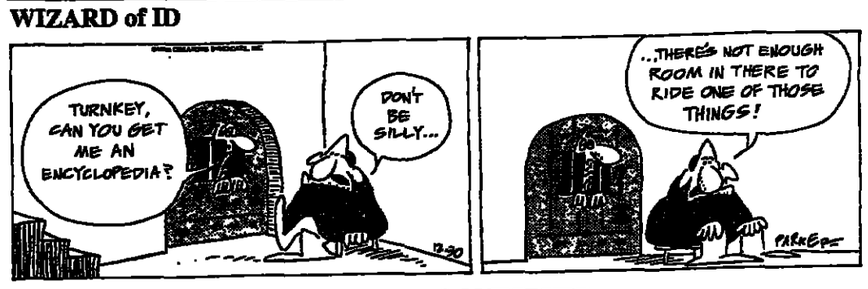
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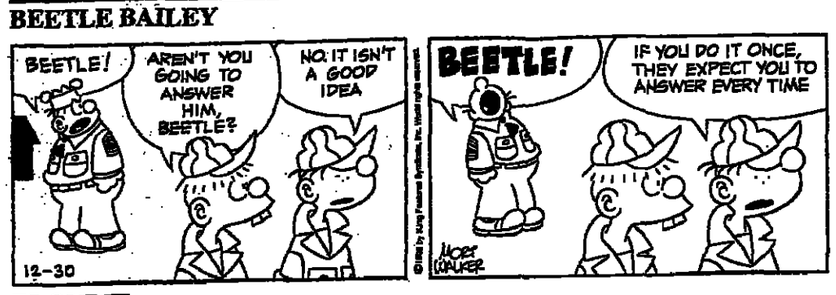
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SPORTS

Stewart Leads England's Comeback

Reuters

HARARE, Zimbabwe — A monumental 101 not out from Alec Stewart led England's comeback against Zimbabwe on the fourth day of the second test at Harare Sports Club on Sunday.



Howard Burditt/Reuters

Zimbabwe's Alistair Campbell catching out opener Nick Knight.

Stewart, at 10 overnight, batted through the day's play and reached his ninth test century just before the close when England was 195 for three in its second innings, a lead of 136 runs.

It was the gritty, adhesive kind of innings that had been so lacking in England's first effort when they were dismissed for just 156.

Stewart had been at the crease for eight minutes over six hours and faced 259 balls when he reached his hundred by dispatching fast bowler Henry Olonga through the covers for his eighth boundary.

The Surrey captain received good support from his county colleague Graham Thorpe. Coming together at 89 for three, with England leading by a slender margin of 30 runs, the pair responded with an unbroken fourth wicket stand of 106. Thorpe made an unbeaten 50 from 169 balls with six fours.

■ South Africa Crushes India

Superb fast bowling from Allan Donald paved the way for South Africa's resounding victory over India, which made just 66 in its second innings in the first test at Kingsmead on Saturday, Reuters reported from Durban.

South Africa won by 328 runs after Donald, who took five for 40 in India's first innings, rocked India's top order on the third day with a hostile opening spell of three for 10 in six overs.

Generating a fast pace on a field that offered plenty of bounce, the 30 year old finished with second-inning figures of four for 14 as India was bowled out for 66 in 34.1 overs — it joint fourth-lowest test total.

In front of a third-day crowd of 13,500 in hot and humid conditions, South Africa drew first blood in the three-match series with more than two days to spare.

■ Ambrose Lifts West Indies

West Indies' fast bowler Curtly Ambrose lifted his team to a six-wicket victory in the third test against Australia on Saturday, Reuters reported from Melbourne.

Ambrose made an inspirational haul of nine wickets in the match.

His efforts, hampered by cramps in his legs, helped West Indies wrap up a remarkable victory in three days at the Melbourne Cricket Ground. He took four for 17 in Australia's second innings.

The victory cut Australia's lead to 2-1 in the five-test series.

Liverpool Downs Southampton, 1-0

The Associated Press

SOUTHAMPTON, England — An embarrasing blunder by Southampton's goalkeeper, Dave Beasant, handed Liverpool a 1-0 victory and a five-point lead atop the English Premier League standings on Sunday.

Trying to avoid conceding a corner, the goalkeeper ran out of his area wide to the right of his goal and aimed a clearance upfield. The ball went straight to Liverpool's John Barnes, who celebrated his 300th league appearance for Liverpool by scoring with a perfectly-measured, first-time 35-yard (32-meter) shot into an empty net.

The ball seemed to take an eternity to reach the back of the net, but the shot just had enough speed to beat the dive by the goalkeeper.

The result gave Liverpool 42 points from 21 games, although all its rivals have at least one game in hand. Manchester United and Arsenal have 37 points from 20 and Wimbledon 37 from 19. Newcastle and Aston Villa have 34 and Chelsea 32.

Southampton remains last after its seventh loss in eight

ENGLISH SOCCER

league games and has 16 points. Nottingham Forest is last with 14.

Before Beasant's blunder, Southampton had several chances to go ahead but was denied by Liverpool's goalkeeper, David James. He twice kept out shots from substitute Matthew Le Tissier, and dropped low to his right to make a spectacular one-handed stop against Egil Ostenstad.

Manchester United moved up to second Saturday when Eric Cantona's penalty earned a 1-0 victory over Leeds for its third shutout in a row.

Cantona scored the goal after Gary Kelly had fouled Ryan Giggs. The Premier League's biggest-ever crowd, 55,256, saw the Reds stay in control, with Ryan Giggs, David Beckham and substitute Andy Cole all going close to scoring a second.

Newcastle, whose title hopes were vanishing after seven games without winning, moved back into contention with a spectacular 7-1 victory over Tottenham, with Alan Shearer, Les Ferdinand and Robert Lee each scoring twice.

With England's manager, Glenn Hoddle, watching from the stands, his striker seemed unstoppable. Shearer took a pass down the middle and outpaced two defenders to score the first in the 20th minute. Ferdinand scored the second two minutes later.

John Beresford's cross was hit home by Ferdinand for the third in the 59th, and then the Spurs defense collapsed completely.

Arsenal twice threw away the lead before being held, 2-2, at home by Aston Villa, while Chelsea, with Italian national coach Cesare Maldini watching his stars in action at Stamford Bridge, tossed away a two-goal lead and was held 2-2 by Sheffield Wednesday. Wimbledon stayed in contention in fourth place by coming from behind to win 3-1 at Everton.

Croatians Get A Good Start In Defense of Hopman Cup

Compiled by Our Staff From Dispatches

PERTH, Australia — Goran Ivanisevic and Iva Majoli teamed for a straight-set mixed doubles victory Sunday over Mark Philippoussis and Nicole Bradtke of Australia as Croatia made a winning start to its defense of the Hopman Cup team tennis championship.

Ivanisevic and Majoli won, 7-5, 7-5, in the decisive mixed doubles after Majoli beat Bradtke, 6-4, 6-3, in the opening women's singles, and Philippoussis surprised Ivanisevic, 6-2, 6-3, in the men's singles to even the match at 1-1. The Croatians beat Switzerland last year in the final and are hoping to become the first back-to-back champions in the event.

In the second match Sunday of the eight-team tournament, the United States beat fourth-seeded France, 2-1.

Majoli gave the defending champions a flying start by beating Bradtke in just 67 minutes.

Majoli lost three of her four singles matches in the event 12 months ago but was simply too steady for Bradtke, a former French Open semifinalist, who was playing her first competitive match since the U.S. Open in August after being troubled by a shoulder injury.

Majoli used her powerful groundstrokes to keep pressure on the Australian, racing to a 5-2 lead and never relinquishing her advantage. Majoli, 19, also defeated Bradtke at the Atlanta Olympics earlier this year.

Philippoussis was far too steady for an erratic Ivanisevic in a men's singles match that lasted only 59 minutes. The world No. 4 made numerous errors as he lost his unbeaten singles record in the event.

"My serve was falling apart," Ivanisevic said, revealing that he only had flown to Australia 18 hours earlier.

Philippoussis served 16 aces to five in the singles, including the final two of the match, and won 87 percent of points on his first serve.

"I played nice and solid and served really well," Philippoussis said. The Australian twisted his right ankle midway through the second set but said he was not inconvenienced during the doubles.

Ivanisevic played more solidly in the doubles, which the Croatian pair sealed when Philippoussis sent a service return long.

"It's great to play here in Perth because there are so many Croatian fans," Majoli said. "It wasn't my best singles match, but hopefully the next match will be better. Goran and I have a lot of fun playing together and hopefully we can do as well as we did last year." Australia is home to a large Croatian emigrant community.

Chanda Rubin, ranked 17th in the world, gave the Americans the lead in the second match when she beat Mary Pierce, who was playing her first match since September, 6-4, 6-1.

Guy Forget, who received treatment for blisters on his left hand during his match with Justin Gimelstob, evened up the contest with a 2-6, 6-3, 6-3 victory. The Americans then wrapped up the match with a 3-6, 6-3, 6-2 triumph in the doubles.

Croatia, France, Australia and the United States are contesting Group A of the round-robin event, and Switzerland, Germany, Romania and South Africa will contest Group B. The winning team from each group will advance to the final.



Trevor Collens/The Associated Press

Mary Pierce pondering a point lost during her match with Chanda Rubin.

Prize money for the event, which continues through Jan. 4, totals $640,000. The winning pair will collect $176,000.

The Hopman Cup is one of a series of events leading to the Australian Open, to be played Jan. 13-26 in Melbourne.

(Reuters, AP)

■ Hingis Issues a Challenge

Sixteen-year-old Martina Hingis said Sunday she was ready to take over the top spot in women's tennis from Steffi Graf, Reuters reported from Australia.

Hingis, from Switzerland, soared up the world rankings to end the 1996 season at No. 4 after a remarkable string of results since September, failing to reach the final in only two of her last six tournaments.

"I hope it's not going to be that long a time to be No. 1," said Hingis, when asked how long it would take her to reach the pinnacle of the women's game.

Hingis begins preparation for the Australian Open on Monday, when she will be paired with Marc Rosset in the Hopman Cup mixed-team event in Perth.

In China's Version of NBA, Western Players and Coaches Have a Lot to Learn

By Keith B. Richburg
Washington Post Service

BEIJING —Time was running out in the first quarter, and the Beijing Lions were *two points behind the Hubei* Cranes. On the sideline, their American coach, Joe Weakley, a big man in a double-breasted suit, was angry. He was waving his arms, stamping his feet, cursing and trying to get his team fired up.

"How much time? How much time?" he shouted, after noticing that the game clock was broken. A string of expletives followed, then, "Good ball, good ball!" Turning to the stone-faced Chinese players on the Lions' bench, he started clapping and shouting, "Come on!"

Of course, much of this sideline ranting was lost on the Chinese players. His interpreter, Du Yue, known as Kate, put Weakley into Chinese. But, Kate confided later, "I don't translate it — I use some nicer words. ... During the game, he uses more bad words than good words."

During a break in the action, Weakley gathered his team in a circle and led a shout of "Defense!" Hard-core rap music blared from loudspeakers, and gong players in the corner banged on tinny cymbals, to produce an ear-numbing merger of Eastern and Western cultures.

Cheerleaders were dressed to *look like rolls of Mentos* brand mints. Miller Beer girls in red miniskirts waited to supervise a halftime free-throw contest, and fans shivered in the barely heated university gym.

It was another evening's excitement in the CNBA, China's version of the National Basketball Association. The initials stand for Chinese New Basketball Alliance. The organizers initially wanted it to be the Chinese NBA; the American NBA demurred.

The Beijing Lions eventually managed a convincing victory, 110-90, after more expletive-laced exhortations from Weakley and with a few fast breaks and dunks by the team's four American players: Mike McGee, a former Los Angeles Laker; Tyrone Doleman and Maurice Barnett, both former Harlem Globetrotters, and Michael Hudson, once with Magic Johnson's All-Stars.

For Weakley, a veteran high school and junior college coach from Los Angeles, it was another lesson in the strange ways of Chinese basketball, and a test of resolve as he tries to build a fledgling team in a fledgling league in a country and culture he *concedes he barely understands.*

"Every day, it's a patience-and-challenge thing in my life," he said, pausing during a practice in a freezing gym to reflect on his experiences after just a few weeks of coaching in Communist China. "I think I've grown more patient since I've been here. Being a coach, I already had patience. But I've learned to have much, much, much more patience."

The presence of American players in China seems especially incongruous. The Chinese are becoming basketball fanatics, but they only recently discovered the sport, and their leagues are just getting started. The Americans are helping with that.

As China opened to the outside world barely a decade ago, foreigners still are seen as an oddity — especially 7-foot-tall (2.1-meter) black Americans in a country where black faces are rare.

Most seem to come mainly for the love of the game. Some are retired from the NBA; others are college stars who never made it to the pros. Almost all say they were recruited by an American agency that helps players find foreign teams, and vice versa. They say the *pay is good and it's an opportunity* to travel the world and experience the difference in cultures — like figuring out ways to communicate with teammates whose names they can't pronounce, using chopsticks, getting used to cold gyms and learning how to avoid the local squat-style public toilets.

"It was a brand new league in China, and I just wanted to see another country," said Hudson, 26, who had played with San Diego State College. But, he added, China "wasn't what I expected."

FOR THE American team members in Beijing, the Holiday Inn Lido hotel has become a Western oasis amid the everyday chaos of conflicting sights, sounds and smells that makes up this crowded capital. McGee, 35, who played for the Lakers in 1981-87, including two championship seasons, said the hotel had American food and TV programs, king-sized beds, a health club and even a little disco."

Doleman, 29, a Philadelphia native known as "Dolemite" from his Harlem Globetrotter days, added, "Once I'm inside the Lido, it's just like I'm at home."

He was sitting out practice to nurse a swollen finger he apparently injured during the Lions' game against Hubei. He said his biggest adjustment was getting used to playing in a cold gym, after the better-heated facilities at home.

Another problem for the Americans has been communication. Few of the Chinese players speak more than a few words of English, and the Americans have not had time to learn much Chinese. They communicate by hand signals and through interpreters like Kate.

"I'm still learning their names," said Doleman. The Lions' team doctor, he said, has a name beginning with an "S" that is so complicated to pronounce that the Americans have renamed him Doctor Steve.

For the most part, the Americans say they have new respect for the Chinese players — finding them better teammates and competitors than many of them had expected.

Weakley said that in recent weeks he had seen enormous improvement in the Chinese players.

"On a scale of one to 10, since I've been here they've gone up," he said. "I'd say they're about a *six or seven now.*"

For Weakley, 58, the transition from Los Angeles to Beijing began with a 3 A.M. phone call.

An old friend was in China, helping the Chinese build the new league and soliciting coaches to come over for the season. Weakley seemed a logical choice; for 15 years he had helped youngsters in Los Angeles pursue hoop dreams. He had been basketball coach at Crenshaw High School, a southern California basketball powerhouse that won a dozen city championships and a handful of state titles.

Weakley had already moved on to Southwest Junior College but "was in a situation that didn't turn out right for me," he said. He was looking for a challenge.

His first reaction was, "Damn. China?" It took a few more phone calls and a few days for Weakley to organize his personal affairs, and soon he was landing at Beijing's international airport.

"I knew nothing!" he said. "I came over here, like, blindfolded."

One thing he knew nothing about was the quality of the Chinese players. He had to assemble a team through a draft system and had only a day to watch the Chinese players perform before the draft. Under CNBA rules, each team is allowed to have two foreign players on the floor.

Another league allows only one foreign player at a time, and several fans — as well as players and coaches — said the two-foreigner rule had paid off.

"It's more exciting, the tempo is much better," said Weakley. The only problem is that the league does not do enough to promote the games. "The Chinese government wants to run this program," he said.

Weakley's contract runs for one year, but he hopes the Lions become one of the four playoff teams in March, which would mean an extension of his time here and a bonus. But he already has found his journey rewarding.

"I've become a greater man than I was before," he said, "because I have walked the Great Wall of China."

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	22	7	.759	—
New York	20	8	.714	1½
Washington	15	13	.536	6½
Orlando	10	15	.400	10
Philadelphia	8	19	.296	13
New Jersey	7	18	.280	13
Boston	5	21	.192	15½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	26	4	.867	—
Detroit	21	7	.750	4
Cleveland	18	10	.643	7
Atlanta	16	11	.593	8½
Charlotte	15	13	.536	10
Milwaukee	15	13	.536	10
Indiana	13	13	.500	11
Toronto	10	19	.345	15½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	23	6	.793	—
Utah	22	6	.786	½
Minnesota	12	17	.414	11
Dallas	10	17	.370	12
Denver	8	21	.276	15
San Antonio	6	19	.240	15
Vancouver	6	24	.200	17½

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	21	9	.700	—
Seattle	21	10	.677	½
Portland	15	15	.500	6
Sacramento	13	17	.433	8
Golden State	11	18	.379	9½
L.A. Clippers	10	19	.345	10½
Phoenix	9	19	.321	11

FRIDAY'S RESULTS

New Jersey 105, Indiana 94
Washington 100, Toronto 82
Miami 101, Charlotte 86
Cleveland 94, Milwaukee 86
Portland 102, L.A. Clippers 98
L.A. Lakers 109, Boston 102

SATURDAY'S RESULTS

Seattle	25	17	21	27—90
Dallas	26	34	15	20—95

S: Payton 11-17 3-4 28, Kemp 10-15 4-7 24; D: Harper 9-14 0-2 24, Jackson 6-12 6-6 18. Rebounds—Seattle 51 (Schrempf 12), Dallas 56 (Gatling 13). Assists—Seattle 15 (Payton 8), Dallas 16 (Jackson 5).

Golden State	17	28	25	25—95
Houston	21	29	25	29—104

G.S.: Smith 11-28 4-6 27, Sprewell 5-17 6-6 17; H: Olajuwon 14-19 3-3 31, Drexler 8-19 2-4 21. Rebounds—Golden State 60 (Smith, DeClerca 10), Houston 52 (Barkley 19). Assists—Golden State 22 (Sprewell 6), Houston 26 (Drexler 8).

Phoenix	25	29	17	22—103
Vancouver	30	24	16	28—98

P: Manning 6-10 7-7 19, Bryant 7-12 3-4 17; V: Peeler 11-20 5-5 30, Abdur-Rahim 7-14 7-9 21. Rebounds—Phoenix 50 (Williams 10), Vancouver 37 (Lynch, Reeves 9). Assists—Phoenix 28 (Kidd 9), Vancouver 24 (Mayberry 8).

Boston	13	26	21	36—96
Sacramento	30	37	31	28—126

B: Day 5-13 12-15 24, Conlan 6-9 3-4 15, Walker 4-12 7-9 15; S: Richmond 12-17 0-0 27, Polynice 9-11 1-2 19. Rebounds—Boston 53 (Walker 9), Sacramento 48 (Smith 10). Assists—Boston 18 (Fox, Radja 4), Sacramento 42 (Edney 9).

Orlando	21	19	24	21—85
New York	22	30	22	22—96

O: Wilkins 8-15 3-4 21, Scott 6-16 2-3 15; N.Y.: Ewing 9-16 9-10 27, Houston 5-10 4-6 17. Rebounds—Orlando 44 (Schintz 10), New York 43 (Childs 8). Assists—Orlando 18 (Shaw 5), New York 19 (Childs 11).

Philadelphia	25	23	12	24—84
Utah	19	32	31	28—110

P: Iverson 5-22 4-6 15, Stackhouse 3-13 7-8 13; U: Malone 12-23 5-5 29, Stockton 7-11 3-3 17. Rebounds—Philadelphia 56 (Coleman 11), Utah 46 (Malone 14). Assists—Philadelphia 13 (Iverson 6), Utah 33 (Stockton 14).

Atlanta	24	26	28	16—86
Washington	25	22	32	18—97

A: Blaylock 9-16 5-5 27, Laettner 10-22 3-3 25; W: Howard 11-21 3-6 25, Webber 9-18 1-3 20. Rebounds—Atlanta 48 (Laettner 13), Washington 58 (Howard 13). Assists—Atlanta 19 (Blaylock 7), Washington 29 (Strickland 9).

Charlotte	21	22	25	7—85
Detroit	26	27	28	24—97

C: Mason 6-12 5-7 17, Rice 7-13 0-0 17; D: Hill 11-16 7-9 29, Dumars 5-9 2-3 12. Rebounds—Charlotte 35 (Divac 7), Detroit 53 (Thorpe 15). Assists—Charlotte 22 (Bogues 6), Detroit 15 (Hill 6).

Denver	25	22	20	22—96
Minnesota	21	28	21	19—103

D: McDyess 10-21 3-8 23, L.Ellis 6-17 7-8 21; M: Guglietta 8-20 10-10 27, Marbury 8-23 1-1 18. Rebounds—Denver 58 (Johnson 12), Minnesota 58 (Guglietta, Garnett 13). Assists—Denver 20 (Jackson 11), Minnesota 20 (Marbury 8).

Cleveland	29	18	22	28—97
Chicago	31	29	23	19—102

CL: Phills 6-13 2-3 17, Brandon 5-16 4-5 16, Ferry 6-9 2-2 16; Ch.: Jordan 13-25 19-20 45, Pippen 7-15 2-6 18. Rebounds—Cleveland 33 (Hill 9), Chicago 39 (Rodman 16). Assists—Cleveland 22 (Brandon 6), Chicago 20 (Pippen 6).

FOOTBALL

NFL PLAYOFFS

SATURDAY'S RESULTS

Jacksonville 30, Buffalo 27
Dallas 40, Minnesota 15

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Florida	20	8	9	49	112	87
Philadelphia	22	12	3	47	116	98
New Jersey	20	12	3	43	95	84
N.Y. Rangers	19	15	5	43	134	107
Washington	15	19	3	33	99	102
N.Y. Islanders	12	16	8	32	95	104
Tampa Bay	11	19	5	27	99	113

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	19	15	3	41	105	98
Pittsburgh	18	15	4	40	130	120
Hartford	17	12	6	40	108	113
Boston	13	16	6	32	101	123
Montreal	12	18	7	31	118	132
Ottawa	11	16	7	29	94	102

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	22	11	3	47	106	84
Detroit	20	11	6	46	116	73
Phoenix	16	17	4	36	109	117
St. Louis	16	20	2	34	107	127
Chicago	14	19	6	34	99	104
Toronto	16	22	0	32	117	135

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	21	10	5	47	128	87
Edmonton	16	19	4	36	130	123
Vancouver	16	18	1	33	105	118
Calgary	13	19	5	31	93	106
San Jose	13	19	4	30	92	116
Los Angeles	13	20	4	30	100	127
Anaheim	12	19	5	29	103	115

FRIDAY'S RESULTS

N.Y. Rangers 3, Anaheim 2
Toronto 3, St. Louis 2
Dallas 6, Boston 4
Phoenix 7, Vancouver 4
Philadelphia 6, Edmonton 4

SATURDAY'S RESULTS

Ottawa	2	0	0	0—2
Hartford	2	0	1	0—3

First Period: O-Daigle 15 (Cunneyworth, Lauklainen) 2, H-Rice 10 (Burt, Primeau) 3, O-Daigle 16 (Cunneyworth) 4. H-Sanderson 22 (Cassels, Dineen) Second Period: None. Third Period: H-Rice 11 (Primeau, Hollar) Shots on goal: O-9-12-11—32. H-11-9-9—29. Goalies: O-Rhodes. H-Giguere.

Detroit	0	4	3	7
N.Y. Islanders	0	1	0	1

First Period: None. Second Period: D-Fedorov 18 (Yzerman, Prashar) 2, New York, Polifty 22 (Lachance, Anderson) 3, D-Kozlov 11 (Konstantinov, Fetisov) 4, D-Johnson 3, S. D-Brown 5 (Draper, Lidstrom) Third Period: D-Kozlov 12 (Fedorov, Fetisov) 7, D-Lidstrom 6 (Yzerman) 8, D-Johnson 4 (Fetisov, Konstantinov) Shots on goal: D-11-10-11—32. New York 10-12-3—25. Goalies: D-Vernon. New York, Soto.

Buffalo	0	0	0	0
Pittsburgh	1	0	1	2

First Period: P-Olausson 4 (Mullen, Lemieux) Second Period: None. Third Period: P-Lemieux 25 (Hatcher, Francis) (pp). Shots on goal: B- 11-6-4—21. P- 9-9-12—29. Goalies: B-Hasek. P-Latime.

Anaheim	2	0	1	3
New Jersey	1	3	1	5

First Period: A-Drury 5 (Rychel, Dahlen) 2, A-Jomphe 5 (Sacco) (sh), 3. N.J.-Pandolfo 1 (Peterson, McKay) Second Period: N.J.-Guerin 10 (Pederson) 5, New Jersey, Andreychuk 11, 6. N.J.-Guerin 11 (Sullivan, Odelein) Third Period: A-Volk 6 (Sacco, Jomphe) 2, New Jersey, Stevens 2 (Andreychuk) (en). Shots on goal: A- 7-7-8—22. N.J.- 9-17-9—34. Goalies: A-Hebert. N.J.-Dunham, Brodeur.

Florida	1	0	0	1
Washington	0	0	1	1

First Period: F-Svehla 6, Second Period: None. Third Period—W-Bondra 19 (Juneau, Pivonka) Overtime: None. Shots on goal: F-11-2-6-1—20. W- 7-8-8-2—25. Goalies: F-Vanbiesbrouck. W-Kolzig.

Montreal	2	1	1	0—4
Tampa Bay	2	2	0	0—4

First Period: T-Ciccarelli 17 (Hamrlik, Cullen) (pp), 2. T-Selivanov 9 (Yeseboet, Bradley) 3. M-Bure 6 (Damphousse, Savage) 4. M-Bure 7 (Recchi, Quinlal) (pp). Second Period: T-Toms 1 (Cullen, Ciccarelli) 6. M-Brunet 4 (Savage, Brisebois) (pp). 7, T-Cullen 9 (Selivanov, Hamrlik) (pp). Third Period—M-Brunet 5 (Savage, Richer) Overtime: None. Shots on goal: M- 13-8-9-3—33. T- 7-12-12-3—34. Goalies: M-Jablonski, Thibault. T-Tobaracci.

Chicago	2	1	1	4
Toronto	2	2	1	5

First Period: C-Moreau 7 (Amonte, Corney). 2. T-Hendrickson 6 (Dami) 3. C-Miller 7 (Chelios) 4. T-Warriner 7 (Convery) Second Period: T-Warriner 8 (Convery, Craig) (pp). 6. T-Pederson 1 (Murphy, Warriner) (pp). 7, C-, Zhamnov 8 (Chelios, Suter) (pp). Third Period: C-Miller 8 (Suter, Zhamnov) (pp). 9. T-Muller 11 (Dami, Yuskevich) Shots on goal: C- 14-9-11—36. T-3-13-16—32. Goalies: C-Belfour. T-Potvin.

San Jose	1	2	0	3
Edmonton	1	2	2	5

First Period: E-Sakic 12 (Kovalenko) 2, San Jose, Dahlen 5 (Whitney) Second Period: S.J.-Friesen 10 (Granato, Nazarov) 4, S.J.-Nolan 15 (Lafrate, Hawgood) (pp). 5, E., Smyth 18 (Buchberger) 6, E-Weight 8 (McGillis) Third Period: E-Buchberger 3 (Smyth, Lindgren) 8, E-Weight 9, (en). Shots on goal: S.J.- 10-4-6—20. E- 7-15-9—31. Goalies: S.J.-Hrudey, Terreri. E-Essensa.

Colorado	0	2	3	5
Los Angeles	0	2	0	2

First Period: None. Second Period: G-Yelle 4 (Krupp, Ricci) 2, C-Jones 11 (Ricci, Gusilnski) (pp). 3. LA., Byloma 2 (Lapointe, Potomski) 4. LA-Numminen 6 (Broten, Stevens) Third Period: C-Corbet 6, C-Deadmarsh 13 (Klemm) 7, C-Kamensky 14 (Jones) (en). Shots on goal: C- 15-15-9—39. LA.- 9-9-9—27. Goalies: C-Billington. LA.-Fiset.

SOCCER

ENGLISH PREMIER LEAGUE

Arsenal 2, Aston Villa 2
Chelsea 2, Sheffield Wednesday 2
Coventry 3, Middlesbrough 0.
Derby 0, Blackburn 0
Everton 1, Wimbledon 3
Leicester 2, Nottingham Forest 2
Manchester United 1, Leeds 0
Newcastle 7, Tottenham 1
West Ham 2, Sunderland 0
Southampton 0, Liverpool 1.

STANDINGS: Liverpool 42; Manchester United 37, Arsenal 37, Wimbledon 37; Newcastle 34, Aston Villa 34; Chelsea 32; Everton 28, Sheffield Wednesday 28, Tottenham 28; Derby 23, Leicester 23, Sunderland 23; Coventry 22, Leeds 22; West Ham 21; Middlesbrough 18; Blackburn 17; Southampton 16; Nottingham Forest 14.

SCOTTISH PREMIER DIVISION

Aberdeen 1, Hibernian 1
Celtic 4, Dunfermline 2
Hearts 4, Motherwell 1
Raith 0, Dundee United 1

INTERNATIONAL FRIENDLY

Argentina 2, Yugoslavia 3

SKIING

Results of women's World Cup slalom race on Sunday in Semmering, Austria:

1, Deborah Compagnoni, Italy, 1 minute 42.04 seconds; 2, Patricia Chauvet, France, 1:43.09; 3, S.J.-Nolan 15 (Lafrate, Hawgood) (pp). 5, E., Claudia Riegler, New Zealand, 1:44.65; 4, Penilla Wiberg, Sweden, 1:44.66; 5, Urska Hrovat, Slovenia, 1:45.13; 6, Meiles Oster, Switzerland, 1:45.34; 7, Gabriela Gral-Zingre, Switzerland, 1:45.53; 8, Ingrid Salvenmoser, Austria, 1:45.72+9, Martina Accola, Switzerland, 1:46.03; 10, Kristina Andersson, Sweden, 1:46.32.

SLALOM STANDINGS: 1, Penilla Wiberg, Sweden, 310; 2, Claudia Riegler, New Zealand, 289; 3, Deborah Compagnoni, 220; 4, Patricia France, 206; 5, Urska Hrovat, Slovenia, 157; 6, Anita Wachter, Austria, 121; 7, Lelia Piccard, France, 101; 8, Karin Reiser, Switzerland, 99; 9, Ingrid Salvenmoser, Austria, 92; 10, Gabriela Graf-Zingre, 87.

WORLD CUP STANDINGS: 1, Penelia Wiberg, 612 points; 2, Katja Seizinger, Germany, 494; 3, Hilde Gerg, Germany, 415; 4, Deborah Compagnoni, 300; 5, Claudia Riegler, 289; 6, Anita Wachter, Austria, 285; 7, Urska Hrovat, Slovenia, 229; 8, Isolde Kostner, Italy, 217; 9, Patricia Chauvet, 206, Martina Ertl, Germany, 206; 11, Renate Goetschl, Austria, 196.

Results of men's World Cup downhill on Sunday in Bormio, Italy:

1, Luc Alphand, France, 2:00.51 minutes; 2, William Besse, Switzerland, 2:00.72; 3, Kristian Ghedina, Italy, 2:01.18; 4, Ed Podkinsky, Canada, 2:01.47; 5, Josef Strobl, Austria, 2:01.56; 6, Fritz Strobl, Austria, 2:01.75; 7, Atle Skaardal, Norway, 2:01.76; 8, Franco Cavegn, Switzerland, 2:01.80; 9, Andreas Schifferer, Austria, 2:02.24; 10, Werner Franz, Austria, 2:02.39.

OVERALL STANDINGS: 1, Luc Alphand, 320 points; 2, Kristian Ghedina, 265; 3, Fritz Strobl, 194; 4, Atle Norway, 181; 5, Werner Franz, 169; 6, Josef Strobl, 163; 7, Pietro Vitalini, Italy, 133; 8, Williams Besse, 122; 9, Adrien Duvillard, France, 119; 10, Franco Cavegn, 111.

OVERALL STANDINGS: 1, Hans Knauss, Austria, 421 points; 2, Luc Alphand, 352; 3, Michael Von Grunigen, Switzerland, 331; 4, Steve Locher, Switzerland, 293; 5, Josef Strobl, Austria, 292; 6, Thomas Sykora, Austria, 282; 7, Kjetil Andre Aamodt, Norway, 280; 8, Kristian Ghedina, 279; 9, Guenther Mader, Austria, 225; 10, Atle Skaardal, Norway, 217.

TENNIS

HOPMAN CUP
IN PERTH, AUSTRALIA
GROUP A
SINGLES

Chanda Rubin, U.S. def. Mary Pierce, France 6-4 6-1; Guy Forget, France def. Justin Gimelstob, U.S., 2-6 6-3 6-3.

Iva Majoli, Croatia def. Nicole Bradtke Australia, 6-4 6-3; Mark Philippoussis, Australia def. Goran Ivanisevic 6-2 6-3

DOUBLES

Gimel./Rubin def. Forget/Pierce 3-6 6-3 6-2
Majoli/Ivanisevic def. Bradtke/Philippoussis 7-5 7-5.

CRICKET

SECOND TEST
ZIMBABWE VS. ENGLAND
SUNDAY, IN HARARE

England 1st innings: 156
Zimbabwe 1st innings: 215
England 2d innings: 195-3

THE WEEK AHEAD

Monday, Dec. 30

TENNIS, Doha, Qatar — men, ATP Tour, Mobil Open, through Jan 5; Adelaide, Australia — men, ATP Tour, Australian Men's Hardcourt Championships, through Jan 5; Queensland, Australia — women, WTA Tour, Australian Hardcourt, through Jan 5.

FOOTBALL, San Diego — NCAA, U.S. college, Holiday Bowl, Washington vs. Colorado.

Tuesday, Dec. 31

FOOTBALL, various sites — NCAA, U.S. college, Howard vs. Southern U; Stanford vs. Michigan State, Auburn vs. Army.

Wednesday, Jan. 1

CRICKET, Harare, Zimbabwe — one-day international, Zimbabwe vs. England; Sydney, Australia — one-day international, Pakistan vs. Australia.

Thursday, Jan. 2

CRICKET, Cape Town, South Africa — test match, South Africa vs. India, through Jan. 6.

FOOTBALL, Florida State vs. Florida.

Friday, Jan. 3

CRICKET, Brisbane, Australia — one-day international, West Indies vs. Pakistan; Harare, Zimbabwe — one-day international, Zimbabwe vs. England.

ALPINE SKIING, Maribor, Slovenia — women, FIS, Alpine World Cup, giant slalom, slalom, through Jan. 4.

Saturday, Jan. 4

GOLF, Scottsdale, Arizona — Andersen Consulting World Championship of Golf, Final, through Jan. 5.

FOOTBALL, various sites — NFL, Divisional Playoffs, through Jan. 5.

Sunday, Jan. 5

CRICKET, Brisbane, Australia — one-day international, West Indies vs. Australia.

ALPINE SKIING, Kranjska Gora, Slovenia — men, FIS, Alpine World Cup, giant slalom and slalom, through Jan. 6.

SPORTS

Knicks Revive to Put Away Magic

By Mike Wise
New York Times Service

NEW YORK — They were marvelous one minute, mortifying the next, and when everything was falling down around them, the New York Knicks looked to their floor leader to glue it all back together and make life at Madison Square Garden tolerable again.

They gave away most of a big lead to the Orlando Magic on Saturday night, only to have point guard Chris Childs employ his resuscitation tactics. Childs sank two important jump shots in the final four minutes and reminded his teammates of the concept of ball movement as New York held on to defeat a proud but leaderless Magic, 96-85.

"It's a concern," the Knicks' coach, Jeff Van Gundy, said of his team's habit of letting teams back into games. "We've just got to be more consistent and play 48 minutes.

Indeed, the Knicks' lead was 71-53 with three minutes left in the third quarter. With 3 minutes 58 seconds remaining in the game, the Magic were within 83-82. In under 12 minutes, 18 points had dwindled to one.

Gerald Wilkins, who finished with 21 points to lead Orlando, caught fire and hit several difficult jump shots with hands in his face. But with chances to tie the game and go ahead, Orlando missed three straight free throws. The Magic are now 1-7 without their injured All-Star point guard, Anfernee (Penny) Hardaway, in the lineup.

Patrick Ewing led all scorers with 27 points, including 17 by halftime, while Larry Johnson added 14 points and Allan Houston had 17 for the Knicks.

In other games, The Associated Press reported:

Jazz 110, 76ers 94 Karl Malone scored 17 points in the third quarter before being ejected as Utah routed visiting Philadelphia. Malone, who scored 29 points, was given a second technical foul with 1:48 left in the third after pushing underneath with the 76ers' Derrick Coleman.

Pistons 97, Hornets 75 Grant Hill scored a season-high 29 points as host Detroit ended a three-game losing streak. Otis Thorpe added 11 points and 15 rebounds. Glen Rice and Anthony Mason had 17 points each for Charlotte.

Bullets 97, Hawks 96 In Baltimore, Juwan Howard had 25 points and 13 rebounds, and Chris Webber added 20 points, nine rebounds and eight assists for Washington. Mookie Blaylock scored 27 points to lead Atlanta.

Bulls 102, Cavaliers 97 Michael Jordan scored 45 points, and host Chicago used an up-tempo attack to burn Cleveland's usually stingy defense. Scottie Pippen added 18 points for the Bulls.

Timberwolves 103, Nuggets 96 Tom Gugliotta's 3-point play ignited a 7-0 run to open overtime as Minnesota tied a franchise record with its fourth straight victory. Gugliotta scored seven of his 27 points in overtime and added 13 rebounds for the visiting Timberwolves. The rookie guard Stephon Marbury added 18 points, and Kevin Garnett had 14 points and 13 rebounds for Minnesota.

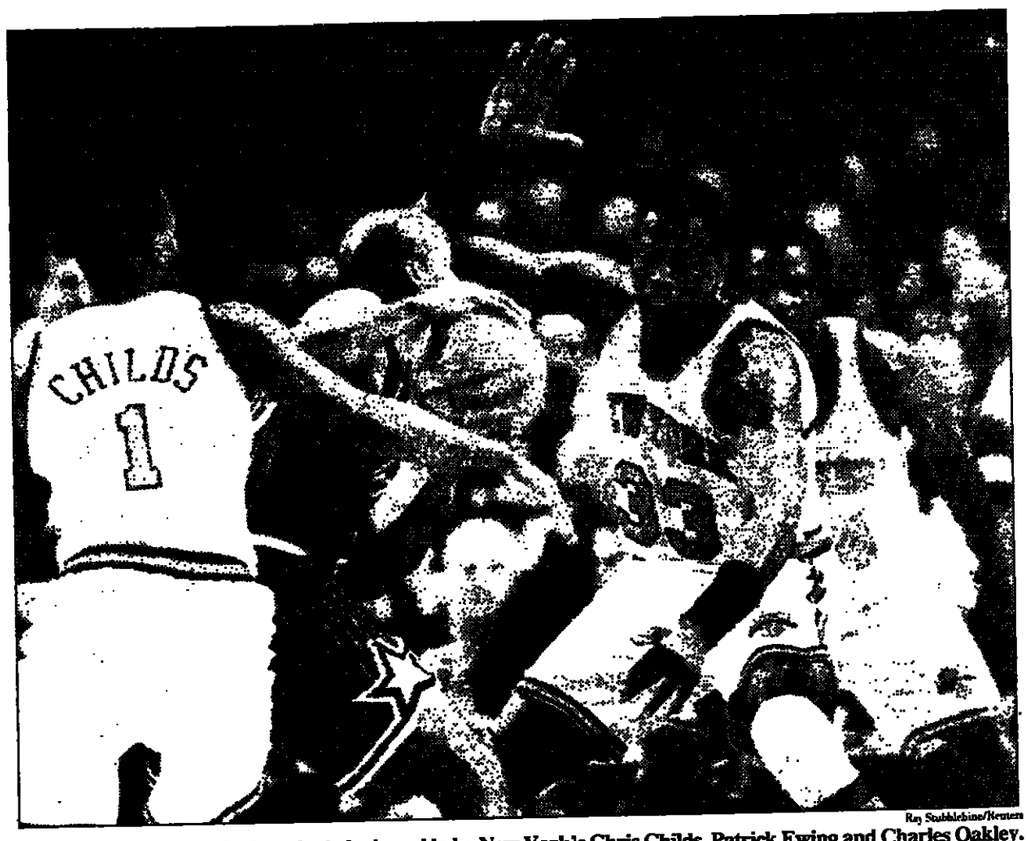
Mavericks 95, SuperSonics 90 Derek Harper, taking Jason Kidd's spot in the Dallas starting lineup, scored 21 of his 24 points in the first half as the host Mavericks held on to end Seattle's five-game losing streak.

Suns 103, Grizzlies 98 Kidd's debut with Phoenix that netted him six points and seven rebounds was over by halftime, but the visiting Suns won anyway. Kidd aggravated a neck and shoulder sprain on the final play of the second quarter and did not play in the second half.

Rockets 104, Warriors 95 Hakeem Olajuwon scored 31 points, including six down the stretch, and Charles Barkley collected 19 rebounds for Houston, playing at home. Clyde Drexler added 21 points and eight assists while Barkley chipped in with 16 points. Golden State got 27 points and 10 rebounds from Joe Smith.

Kings 126, Celtics 96 In Sacramento, Mitch Richmond scored seven points in a 19-0 run in the first quarter as the Kings coasted to their fifth straight victory. Richmond finished with 27 points.

NBA Roundup



Ray Stubblebine/Reuters

Orlando's Brian Shaw looking for help, boxed in by New York's Chris Childs, Patrick Ewing and Charles Oakley.

Season of Hard Knocks for a White Quarterback at a Black College

New York Times Service

*Vantage Point/*IRA BERKOW

BATON ROUGE, Louisiana — It was only the second game of the season, on Sept. 14, but Southern University, the defending black-college football champion, had lost unexpectedly for the second time in a row, to Alabama State, 16-14.

The players, carrying their helmets, their jerseys disheveled, walked dejectedly away from the lights of their home field, Mumford Stadium, toward the locker room. Suddenly a man jumped out from the crowd that had assembled near the gate and confronted Southern's starting quarterback, a freshman.

"You don't deserve to be wearing this uniform, white boy," the man shouted into Marcus Jacoby's face. "You're a disgrace. You better watch your back."

Before Jacoby could react, some of his teammates and coaches did, jumping between the player and the fan. They moved on, several of them creating a phalanx around Jacoby. Afterward, when Jacoby had dressed, a police officer, acting at the request of the head coach, Pete Richardson, escorted the player from the locker room to Jacoby's car. Nothing else happened.

Well, not quite nothing else. With Jacoby still in his position as the first white quarterback in the 76-year existence of the historically black school, Southern began to improve and finished with a 7-4 record.

Southern twice upset teams that were ranked No. 1 among black colleges this season, Florida A&M and Jackson State, and on Tuesday it will meet Howard University in the Heritage Bowl in the Georgia Dome in Atlanta.

"If it hadn't been for Marcus," Richardson said, "we would never have done this well. He's a hard worker and a tough kid."

Jacoby was more than that, to be sure. His role of starting quarterback touched off a debate on Southern University's modest campus and beyond. Questions were raised about the mission of historically black schools and the types of students these schools should recruit.

Beyond that, the experiences of Jacoby and of Grambling College's Michael Kornblau, another white quarterback at a predominantly black school, provide a fresh look at racial stereotypes that persist in sports.

At 6 feet (1.80 meters) and 190 pounds (86 kilograms), Jacoby is not big as quarterbacks go. Lionel Hayes, whom Jacoby beat out for starting quarterback, is 6-3 and 210 pounds. But Jacoby is resilient and, one of his coaches said, so highly motivated that he sees him becoming a coach one day.

But nothing has seemed to come easy to Jacoby.

Jermaine Brown, a sophomore wide receiver for Southern, said, "Marc has taken hits in games that I don't think I could have got up from."

In fact, three times Jacoby has gone to the hospital after games to be treated for mild concussions.

"That's part of the game," he said. "Funny thing is, early in the season some reporter asked me if my offensive line was not trying that hard to make me look bad because I'm white. What a question! These guys are all on scholarship. We all want to win. Can you imagine those guys risking their scholarships and their reputations for something that stupid? Didn't happen."

After the second game, in which a Jacoby pass had been intercepted at a critical juncture and he was generally playing tentatively, a letter to the editor by Marlon J. Reed, a student, appeared in the school newspaper, The Southern Digest. It set off a heated controversy.

Reed wrote that historically black universities should recruit "their own" for such positions as quarterback. He said that there were African-American athletes who could have received Jacoby's scholarship.

Shortly afterward, in an editorial in The Baton Rouge Advocate written by Edward Pratt, an alumnus of Southern, Pratt responded and wrote that he had "heard that sentiment" expressed by Reed "in the stands and on the street."

"I think it is racist and wrong-headed," Pratt wrote. "Had a white columnist said that about LSU's African-American quarterback Herb Tyler, that person certainly would have been branded a racist."

Jacoby recalled Reed's critical letter. "It was one guy's viewpoint," he said, "and it did get a lot of attention. What people don't say much about is that in the next issue of the school paper, there were about five pages of letters in support of me, a white guy at Southern, and that I should be judged on my merits."

The policy for admittance to Southern University is nonexclusionary, according to its president, Dolores Spikes. "Our doors have always been open to any student who is qualified," she said.

Until this season, a white player had never started at quarterback in the conference, though Grambling had a white backup quarterback 25 years ago named Jim Gregory, about whom a television movie, "White Tiger," was made.

This year, Jacoby started all 11 regular-season games, throwing for 1,303 yards and nine touchdowns and completing 124 of 235 passes (52.8 percent) with five interceptions. Although his relationship with Hayes was strained — Hayes dropped off the team recently — Jacoby said he had made numerous friends on the team and on campus.

Earlier in the season, Mark Orlando, the assistant coach, had heard a nickname for Jacoby that came from some fans. It was "Forrest Gump" and was meant to be disparaging.

"But now," Orlando said, "I was talking to one of those fans, and he said they don't call Marc 'Forrest Gump' anymore. I asked, 'What do you call him?' And the fan said, 'Mr. Forrest Gump.'"



Sam Mircovich/Reuters

The Avalanche's Valeri Kamensky sailing past the Kings' Steven Finn in pursuit of the puck in Los Angeles.

Rookie Goalie Extends Penguins' Streak

The Associated Press

The Penguins' rookie goalie, Patrick Lalime, registered his second shutout in three starts as Pittsburgh stretched its unbeaten streak to five games with a 2-0 victory over the Buffalo Sabres.

Mario Lemieux and Fredrik Olausson scored as the Penguins extended their streak to 4-0-1 on Saturday night.

Lalime made his fifth National Hockey League start and his first since he assumed the No. 1 position after Ken Wregget pulled his left hamstring against Montreal last Thursday. Lalime is 6-0-1 since he came up from the minor leagues on Nov. 14. He stopped 21 shots as the Sabres were blanked for the eighth time in 35 games.

Red Wings 7, Islanders 1 Viacheslav Kozlov and Greg Johnson scored two goals each as visiting Detroit matched a season high with its third straight victory.

Sergei Fedorov, Doug Brown and Nikias Lidstrom also scored for Detroit, which got 24 saves from Mike Vernon while handing New York its fourth loss in five games. Zigmund Palffy scored for New York.

Devils 5, Mighty Ducks 3 Bill Guerin broke out of a slump to score twice as New Jersey beat visiting Anaheim.

Guerin, who had scored only once in his last 15 games, got his 10th and 11th goals in the second period to help the Devils overcome a 2-1 deficit. Jay Pandolfo added his first NHL goal and Dave Andreychuk and Scott Stevens also scored for New Jersey. Ted Drury, J.F. Jomphe and Garry Valk scored for Anaheim.

Panthers 1, Capitals 1 Peter Bondra scored the tying goal for Washington at home with 8.4 seconds left to play in regulation time.

Florida's John Vanbiesbrouck appeared on his way to a shutout when the Capitals pulled Olaf Kolzig in favor of an extra attacker. But Bondra tipped Joe Juneau's pass past Vanbiesbrouck to force overtime. Vanbiesbrouck finished with 24 saves. Kolzig had 19 for the Capitals, allowing only Robert Svehla's first-period goal.

Whalers 3, Senators 2 In Hartford, Steven Rice scored two goals, and Jean-Sebastien Giguere made 30 saves for his first NHL victory as the Whalers beat Ottawa.

Rice, who has five goals in his last five games and 11 overall, got his second of the night by beating Damien Rhodes on a wraparound with 4:43 remaining.

Canadiens 4, Lightning 4 Benoit Brunet scored his second goal of the game midway through the third period capping a Montreal rally and evening the score.

Valeri Bure also had two goals as the Canadiens extended their undefeated streak on the road to four.

Maple Leafs 5, Blackhawks 4 Kirk Muller scored with 3:20 remaining to give Toronto a victory over Chicago, ending the Maple Leafs' five-game home losing streak.

Muller scored on a wraparound, moving from behind the net and snapping his 11th goal of the season over Ed Belfour's shoulder.

Todd Warriner had two goals and an assist for Toronto.

Avalanche 5, Kings 2 Rene Corbet scored the go-ahead goal in the third period as visiting Colorado beat Los Angeles to tie idle Dallas for the Western Conference lead.

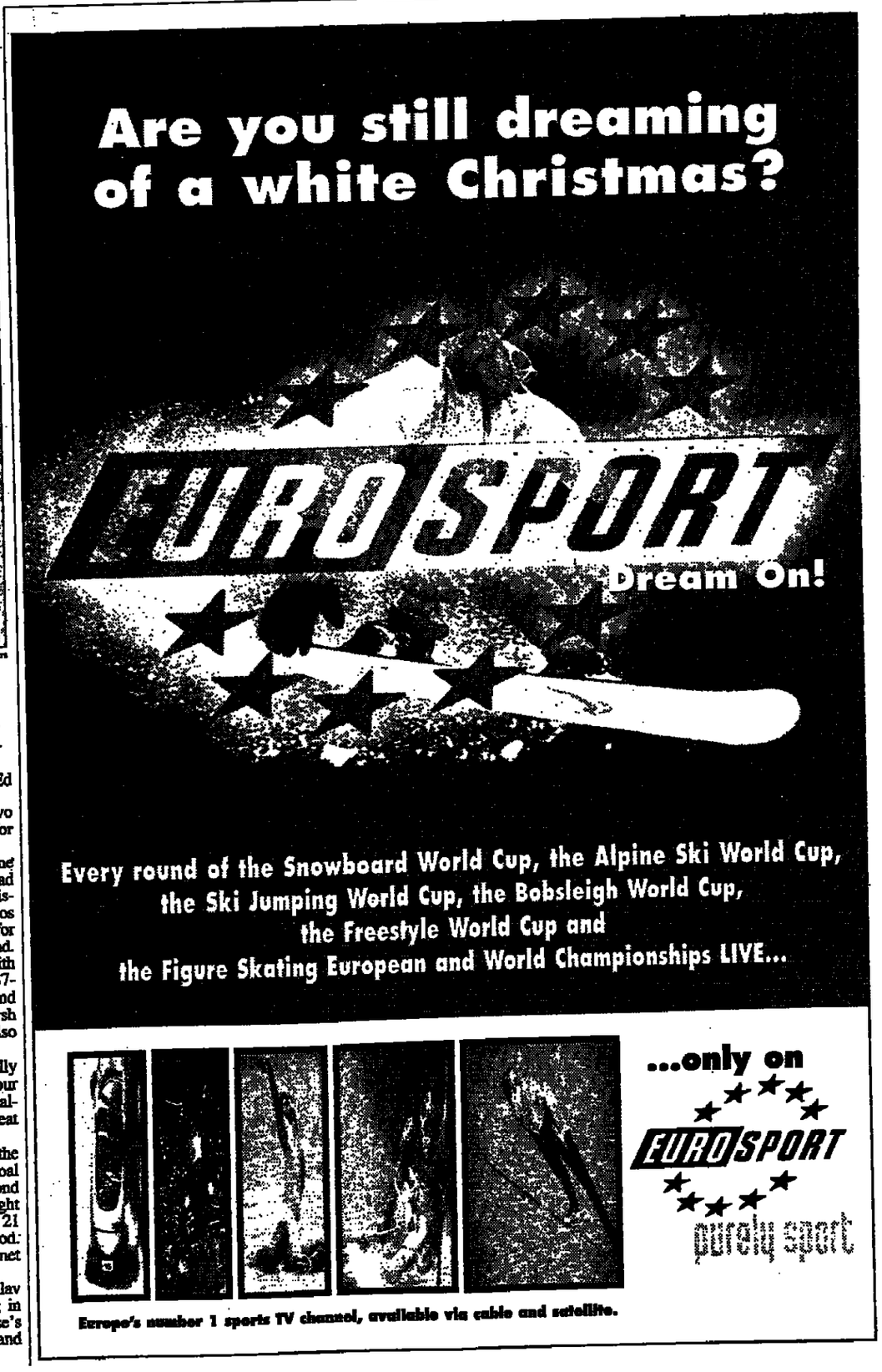
Stéphane Yelle and Keith Jones had goals in a 37-second span in the second period, and Adam Deadmarsh and Valeri Kamensky also scored for Colorado.

Oilers 5, Sharks 3 Kelly Buchberger scored with four minutes left as Edmonton rallied from a 3-1 deficit to beat visiting San Jose.

Ryan Smyth began the comeback with his 18th goal with 1:50 left in the second period, and Doug Weight drew the Oilers even with 21 seconds to play in the period. Weight added an empty-net goal in the final minute.

Edmonton's Miroslav Satan opened the scoring in the first period, but San Jose's Ulf Dahlen, Jeff Friesen and Owen Nolan made it 3-1.

NHL Roundup



BASKETBALL Knicks Defy Magic p. 17 **CRICKET** England Revives p. 16 **HOCKEY** A Rookie Stars p. 17

TOMORROW: STYLE

Herald Tribune INTERNATIONAL

SPORTS

WORLD ROUNDUP

Glorious Morning

YACHTING The German maxi Morning Glory broke the Sydney-to-Hobart record Sunday after a tumultuous 62 hours on the water in one of the world's toughest ocean yacht races.

Morning Glory, skippered by Barry McKay but boasting an international crew that included victorious America's Cup helmsman Russell Coutts of New Zealand, broke the 21-year-old record set by American maxi, Kialoa III.

The record of 2 days, 14 hours, 36 minutes, 56 seconds for the 630 nautical miles (1,165 kilometers) was set by the American skipper Jim Kilroy in 1975.

But Morning Glory, a purple-hulled, 80-footer that had to endure a bad start, gale-force winds and then light, becalming winds near the finish, broke that mark by 29 minutes and 46 seconds.

After the swift run up the Derwent River to clinch the record, Morning Glory's owner, the German industrialist Hasso Plattner, said the $240,000 prize for breaking the race record would be shared among the 21 members of the crew. *(AP)*

Bills' Smith Is Honored

FOOTBALL Bruce Smith knew he was the best defensive player in the NFL. On Sunday, it became official.

Smith, the star defensive end of the Buffalo Bills, was the runaway winner of the Defensive Player of the Year voting conducted by The Associated Press. He also won the award in 1990.

Smith received 56 of 93 votes from a nationwide panel of sports writers in voting conducted before the playoffs. The Bills were eliminated from the postseason by Jacksonville on Saturday.

"It means a great deal," said Smith, who had 13½ sacks to lead the AFC and finish one sack behind Kevin Greene for the league lead. "It's fun. It makes you walk tall and stand proud."

Smith, the top pick in the 1985 draft, had a superb season. The 33-year-old defensive end was a force against the run — considered his only weakness in earlier years — and almost unstoppable when rushing the passer. *(AP)*

LSU Is Feeling Peachy

COLLEGE FOOTBALL Kevin Faulk scored a 3-yard touchdown, Wade Richey kicked a 22-yard field goal and Louisiana State University's defense barely made it hold up for a 10-7 victory over Clemson in the Peach Bowl.

No. 17 LSU (10-2) won its second straight bowl in as many seasons under coach Gerry DiNardo and kept up the recent Peach streak of down-to-the-wire finishes.

Clemson (7-5) drove to LSU's 30 with 1:26 to go on Saturday night, but Matt Padgett's 52-yard field goal attempt was blocked by Anthony McFarland. Padgett had missed a 37-yarder on the last play of Clemson's 34-31 loss to South Carolina on Nov. 23. *(AP)*

Winning Isn't Everything

SOCCER For the first time in its history, Italy's AC Milan soccer club is offering its players a reward for coming in second.

The club's new coach, Arrigo Sacchi, admitted last week that his team, suffering one of its worst seasons in recent years, could not retain the Serie A title it has won four times in the past five seasons.

So, Milan is offering its players 100 million lire ($65,300) each if the team clinches second place, a club official said Sunday. The players will get 500 million lire each if they defy their coach and finish first. *(Reuters)*

Bettis Carries Steelers To 42-14 Rout of Colts

Jaguars Poised After Upset of Bills; Cowboys Get Ready for Panthers

The Associated Press

PITTSBURGH — A Super Bowl rematch between the Pittsburgh Steelers and Dallas Cowboys is still alive. So, of course, is an expansion matchup between the Jacksonville Jaguars and the Carolina Panthers.

The Steelers joined the Cowboys and Jaguars in the second round of the NFL playoffs with a 42-14 rout of the Indianapolis Colts on Sunday. But this

NFL PLAYOFFS

game did not come down to a final desperation pass by the Colts, as last year's AFC title game between the same two teams did.

This time, Jerome Bettis saved a Steelers' offense that was threatening yet another big-game meltdown, running for two second-half touchdowns and 102 yards as Pittsburgh survived another erratic day by quarterback Mike Tomczak.

Bettis, who said his sore ankle was only 80 percent healed, scored on the Steelers' first two drives of a 29-point second half. Kordell Stewart later replaced Tomczak to lead two more scoring drives. Jon Witman scored his first NFL touchdown on a 31-yard run, and Stewart — starting another Steelers' quarterback controversy — added another on a 3-yard bootleg.

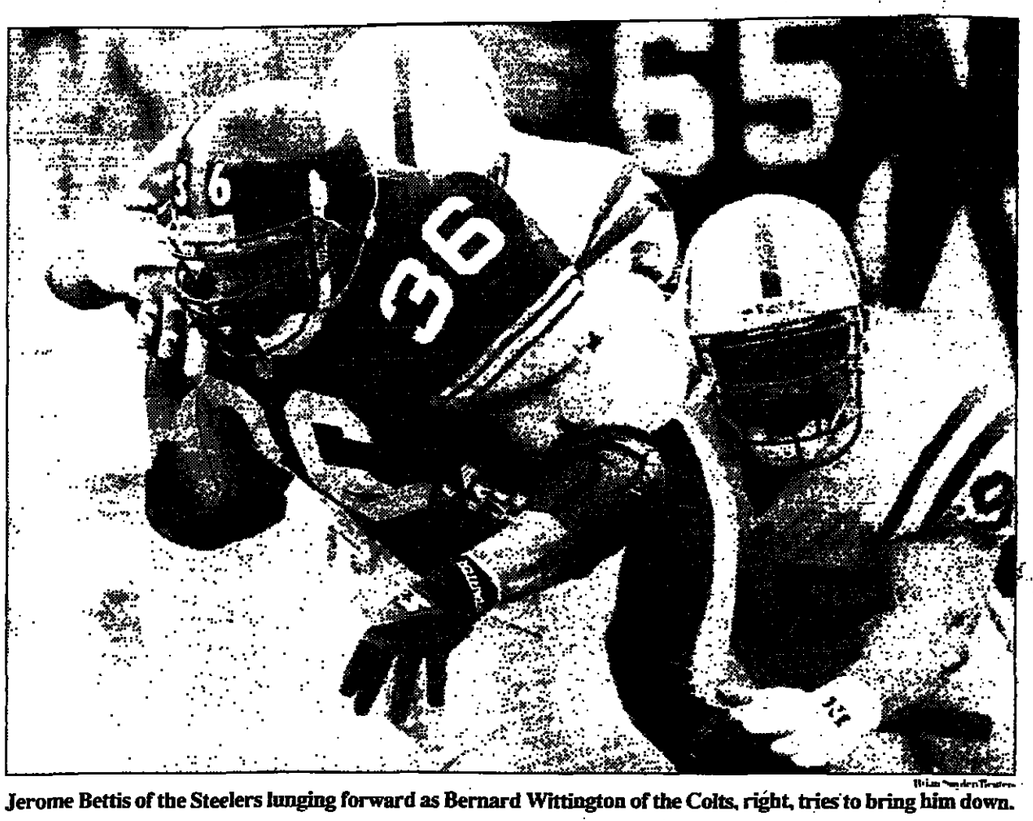
The Steelers, who had lost three of their previous four as Tomczak labored through a horrendous second-half slump, will play Sunday at New England.

The Colts seemed to have some magic left in them from last season's dramatic drive to the AFC championship game, which they lost in Pittsburgh, 20-16. Indianapolis scored twice in four minutes late in the second quarter to turn what was looking like a blowout into a 14-13 contest at halftime.

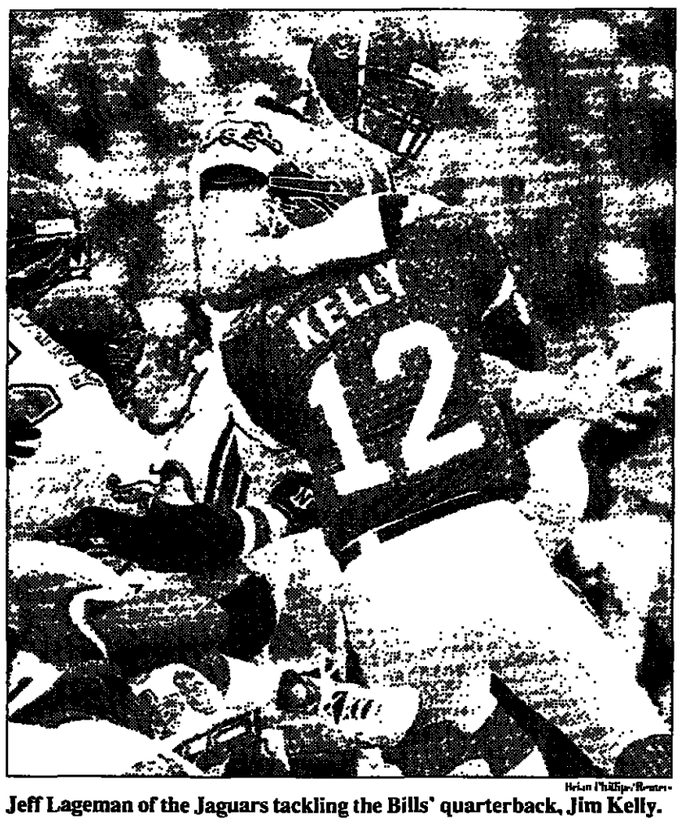
Both of the scores came off Tomczak-thrown interceptions, including Eugene Daniel's 59-yard touchdown return that made it 13-7 and came just as the Colts appeared ready to collapse. The Colts' offense had yet to cross the 50-yard line when Daniel stepped in front of Tomczak's pass intended for Ernie Mills. But the Colts couldn't take it to the final play this time. Not when the Steelers controlled the ball in the third quarter for all but 1:59.

Bettis, who has rushed for 100 yards in all but one Steelers' victory this season, carried eight times for 42 yards on a 91-yard drive that lasted 9½ minutes and was finished by his 1-yard dive. That drive, and an ensuing Steelers possession completed by Bettis' 1-yard run that made it 28-14 with 14:21 remaining, visibly took the heart out of the Colts.

The Colts, whose defense manufactured all of their points, had only 22 second-half yards, and Harbaugh finished the game on the bench with a stitched-up jaw he injured on Indianapolis' first possession.



Jerome Bettis of the Steelers lunging forward as Bernard Wittington of the Colts, right, tries to bring him down.



Jeff Lageman of the Jaguars tackling the Bills' quarterback, Jim Kelly.

In games played Saturday, reported by The New York Times:

Jaguars 30, Bills 27 No way that the Jacksonville Jaguars were supposed to come into Buffalo's impenetrable fortress and defeat the Bills, Timothy Smith of the New York Times reported from Orchard Park, New York.

The Jaguars were an expansion team last season; the playoff-tested Bills were 9-0 in the postseason at Rich Stadium and had a crowd of 70,213 pulling for them.

But the Jaguars played with the abandon and indomitable spirit that Buffalo center Kent Hull said was once his team's hallmark, and they stunned the Bills, 30-27, on Saturday in the National Football League's first playoff game of the season.

"These guys believed," said Bruce Smith, the Bills' star defensive end. "And when a team believes, they're a dangerous team."

The Jaguars pounded the Bills behind their star running back, Natrone Means, who rushed 31 times for a career-high 175 yards and a touchdown, and matched Buffalo score for score until Mike Hollis's 45-yard field-goal attempt clipped the right upright and bounced through to break a 27-27 tie and give Jacksonville a 30-27 lead with 3 minutes 7 seconds to play.

By that time, the Bills' quarterback, Jim Kelly, had been carted to the locker room, his face a clueless mask because of a concussion. Todd Collins came off the bench to try to salvage the Bills' hopes, but he couldn't do it.

Kelly had been knocked out of the game on a hard hit by a Jaguars' safety, Chris Hudson, that forced the 36-year-old quarterback to fumble away the Bills' best opportunity to pull off the victory. The ball was recovered at the 42 by a Jaguars' cornerback, Aaron Beasley, with 7:13 remaining.

Kelly's departure seemed to signal not only a loss of any hope that the Bills had to win this game, but it also seemed to herald the end of a glorious era that saw Buffalo make the playoffs in eight of the last nine years and go to an unprecedented four straight Super Bowls.

Knowing how resilient the Bills have been in the past, though, no one was quite ready to toss dirt on their grave. "They said Buffalo was done after they lost that second Super Bowl, but they went back to two more," said one of the Jaguars' defensive ends, Clyde Simmons, whose 20-yard interception return for a touchdown in the first quarter gave his team momentum. Smith, who was voted the NFL's Defensive Player of the Year on Sunday, finished with just three tackles and no sacks, and was drained and dejected after the loss.

Cowboys 40, Vikings 15 It was over fast for the Minnesota Vikings, Thomas George of The New York Times reported from Irving, Texas.

The Cowboys scored the game's first 30 points — with plenty of help from the Vikings — and finished with a crushing 40-15 wild-card playoff victory before 64,682 fans at Texas Stadium.

No doubt, Dallas was prepared, eager and disciplined. No doubt, Minnesota fell apart after early mistakes that were compounded by more mistakes. The Cowboys will play the Carolina Panthers next Sunday as they continue their quest for a second straight Super Bowl title and their fourth in five years.

The Cowboys have sputtered on offense this year and even ended the regular season by absorbing a 37-10 beating at Washington in which few of the team's starters played on offense. There was none of that ineffectiveness here.

What happened to the Vikings? It was as if they fell into a deep, dark hole right from the start, only to see it get deeper and deeper. When they did something right, it often turned into something wrong. One mistake led to another. Also, one Dallas score led to another, and another and another.

Dallas earned a 7-0 lead in the first quarter on its own, with Troy Aikman diving on a bootleg run into the front corner of the end zone for a 2-yard score. That capped a 14-play, 88-yard drive.

For the rest of the half, however, Minnesota played right into the Dallas's hands. Indeed, the Vikings gave the Cowboys every chance to build a 30-0 halftime lead, and that's just what Dallas did, scoring 23 second-quarter points.

It started when Minnesota's Amp Lee fumbled after making a catch worth 43 yards. Lee, a running back, had lined up wide right and had beaten the Dallas defense from that tricky position. He gained 43 yards on the catch, but a safety, George Teague, was trailing Lee, and at the Dallas 3 he poked his hand at the ball from behind. Out it flew, through the end zone. A touchback. No touchdown. No points for Minnesota. No chance to tie the game at 7-7.

The Cowboys then scored a field goal, and Minnesota promptly gave the ball right back to them. Teague forced a fumble from running back Leroy Hoard at the Vikings' 40. A Dallas defensive end, Shante Carver, wound up with the ball at the Minnesota 37. It took one play, and seven seconds, for Dallas to make it 17-0. Emmitt Smith took a handoff on a trap play and zipped right through the heart of the Vikings' defense for the score.

On the next Vikings' series, Teague intercepted Brad Johnson on a third-and-3 play and returned the theft 29 yards for a touchdown. That made it 24-0, Dallas.

But the Vikings were not finished turning the ball over. Deion Sanders intercepted Johnson at the Minnesota 22. That led to a Dallas field goal. Then, in one very telling sequence with 3 minutes, 23 seconds to play in the first half, the Vikings gained an interception, then lost the ball on a fumble — all in one play.

Aikman's pass toward Michael Irvin was intercepted by Orlando Thomas. Thomas, however, fumbled on his return when he was hacked by Herschel Walker at the Dallas 43 and Dallas's tight end, Eric Bjornson, recovered. So, even when the Vikings forced Dallas into a mistake, it was only seconds before the Vikings made one of their own.

It was that kind of horrific day for Minnesota.

Alphand Wins World Cup Downhill in a Day of Spills at Stelvio

The Associated Press

BORMIO, Italy — Luc Alphand of France won a grueling World Cup downhill on the icy and treacherous Stelvio course Sunday to capture his second season victory out of four high-speed races.

The 31-year-old skier from Sierre Chevalier, the defending World Cup downhill champion, edged William Besse of Switzerland by 0.21 seconds and Kristian Ghedina of Italy by 0.67 seconds as he completed the 3,270-meter-long course, with a vertical drop of 1,010 meters, in 2 minutes, 00.51 seconds. He reached peak speeds up to 130 kilometers per hour on his way to victory.

Alphand, who had won the previous downhill at Val Gardena last week, scored his eighth career victory as he mastered one of the most difficult courses of the World Cup circuit.

Several skiers, including the World Cup leader, Hans Knauss of Austria, could not control their skis on blue ice, fell, and did not finish. Andrej Hutka of the Czech Republic fell and tore cruciate ligaments of his right knee — a season-ending injury. Italian organizers said the 21-year-old Czech, on his second season on the World Cup circuit, was taken to a hospital nearby in Sondalo.

Besse had his best result this season as he finished runner-up in 2:00.72 minutes.

Ghedina took third place, ahead of Ed Podivinsky of Canada, who trailed the winner by 0.96 seconds.

Other top finishers included two Austrians, Josef Strobl, who was fifth, and Fritz Strobl, sixth, and Atle Skaardal of Norway, who took seventh place.

Knauss, who fell at the tricky Carcentina corner, retained his lead in the World Cup overall standings with 421 points.

The victory Sunday vaulted Alphand to second place overall, with 352 points. The Frenchman also strengthened his lead in the downhill standings. The competition continues at Kranjska Gora with a slalom and giant slalom on Jan. 5 and 6, barring adverse weather conditions.

■ Compagnoni Takes Women's Slalom

Deborah Compagnoni of Italy scored her first slalom victory Sunday in a women's World Cup race, in which a number of top skiers missed gates on the icy slope, The Associated Press reported from Semmering, Austria.

With a first-run best time of 52.13, she had a combined time of 1:42.94, 1.05 seconds ahead of Patricia Chauvet of France. Claudia Riegler of New Zealand was third with a combined time of 1:44.65. The winner Saturday, Pernilla Wiberg of Sweden, skied the fastest second run with a time of 50.35 for fourth place. Urska Hrovat of Slovenia was fifth with a combined time of 1:45.13.



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